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PARIS, WEDNESDAY, NOVEMBER 23, 1988

# Mulroney to Act Quickly on Pact

# Voters Endorsed Free Trade With U.S., He Maintains

OTTAWA — Prime Minister Brian Mulroney, savoring success in national elections, said Tuesday that he would call the Parliament back into session in early December to enact Canada's free trade agreement with the United States. Mr. Mulroney said his Progres-

sive Conservative Party's unexpectedly comfortable victory was a "clear mandate" for the trade agreement and that he intended to plement it on schedule on Jan. 1. The Conservatives won 170 of the 295 House of Commons seats in the election Monday, 22 more than the 148 seats required for a major-ity. The election concluded a tough contest fought on the issue of the trade pact that Mr. Mulroney and President Ronald Reagan signed in January. The pact has been passed

by the U.S. Senate.

George Bush on Tuesday and that they planned to meet before Mr. 43 sears, topped its previous best mark of 30, which it won in 1984. Bush's inauguration in Washington on Jan. 20.

Most Canadians voted for the opposition Liberal and New Democtatic parties, which had made the tree trade agreement the main issue

The Mulroney victory provides a major boost for Reagan administration trade policies. Page 3.

of the campaign. But Mr. Mulroney's Progressive Conservatives were able to win a majority in the House of Commons because the opposition vote was split.
Under the Canadian electoral

system, it is seats in the legislature, not popular votes, that count. The opposition Liberals, under John Turner, more than doubled The prime minister, speaking on their representation, with 82 seats national television, also said that he against 40 four years ago. The so-bad talked with President-elect cialist New Democratic Party, with

In the popular vote, the Conservatives won 43 percent, the Liberals 32 percent and the New Democrats 20 percent. Officials said 75 percent of the

17 million eligible voters cast ballots, a relatively small percentage by Canadian standards Not since 1953 had a party won two consecutive majorities, and the Progressive Conservatives had not

managed it in this century. The victory was not as big, how-ever, as the 1984 landslide that brought Mr. Mulroney's party 211 seats in a house with a membership at the time of 282.

When Parliament was dissolved Oct. 1, the Conservatives held 203 cars to 38 for the Liberals and 32 for the New Democrats. Four were held by independents and there

See CANADA, Page 6



Results Percentage of popular vote and number of seats wor in House of Commons.

Progressive Conservative

82 Seats

# New Democratic

# **Bush-Tower Deal Is Seen for Pentagon**

By Bernard Weinraub New York Times Service

WASHINGTON — Presidentelect George Bush plans to appoint former Senator John G. Tower of Texas as defense secretary on condition that Mr. Tower accept a strong manager from outside the Pentagon as his No. 2, according to Bush transition

Mr. Tower agreed to those terms, the aides said, adding that a search was now under way to find a deputy defense secretary with solid business experience who would prove resistant to pressure to accelerate military

The deal was worked out on Saturday in a meeting between Mr. Tower and Governor John H. Sununu of New Hampshire, the president-elect's chief of staff,

Bush's designated secretary of "not right," and added, "No decistate, the Bush aides said Monsion has been made, so if the story

Some Bush associates have argued against Mr. Tower's selection as defense secretary, partly because they believe he would

Bush says he will tackle the deficit as soon as he is sworn in as president. Page 6.

prove resistant to efforts to cut military outlays because of his strong record on Capitol Hill as an advocate of military spending. Speaking to reporters on Tues-day, Mr. Bush brushed aside reports that he favored Mr. Tower. Asked if he would name his de-

iense secretary soon, Mr. Bush

replied, "Not this week." He said

said the decision has been made, it hasn't been made." Mr. Tower, 63, a former chair-

man of the Senate Armed Services Committee who served in Congress for 24 years, was a senior adviser on military issues to Mr. Bush in the presidential cam-

Mr. Bush's aides said Mr. Tower would be formally offered the job sometime this week.

Mr. Tower said Monday night that he had not been reached by Mr. Bush and did not know whom the president-elect would

Among those mentioned as possible deputy defense secretaries were R. James Woolsey, a Washington lawyer, conservative the reports about Mr. Tower were Democrat, and former undersec-

administration; and Thomas Pownall, recently retired chairman of the Martin Marietta

Paul H. O'Neill, chairman of the Aluminum Company of America, had been mentioned as Mr. Tower's rival for the defense

Following the appointment of Richard G. Darman to head the Office of Management and Bud-

get, Mr. Bush is expected to name Michael J. Boskin, a Stanford University professor, as the chairman of the Council of Economic Asked Tuesday about Mr. Bos-

kin, the president-elect called him "a very good man," and said, "He might well prove to be the eco-

# Prime Minister Brian Mulroney aimed a kick at a balloon during his victory celebration.

# New Clashes In Azerbaijan

Kiosk

MOSCOW (Reuters) The Armenian parliament adjourned abruptly Tuesday amid reports of a fresh outthe disputed Nagorno-Karabakh Autonomous Region, which has a mainly Armenian population but is under the authority of the Azerbaijan

A journalist at the Armenian news agency said that parliament decided to suspend the session after reports of clashes in the Azerbaijani capital Baku and elsewhere in the republic. The journalist said he had reports that troops were guarding houses of Ar-menians in Baku.

The legislature of Latvia, meanwhile, decided Tuesday night not to declare itself sovereign. (Page 2)

# **General News**

François Mitterrand will personally try to persuade Spair to buy France's version of a high-speed rail system. Page 2. Benazir Blasto met the president of Pakistan for talks that could lead to her forming a

# Business/Finance

Oil markets were in disarray after the Iranian oil minister dashed hopes of an early OPEC accord. Page 21



# The Dollar DM 1.7188 Pound 1.8338

### New York Times Service NEW YORK — With the latest plunge in the dollar and the drop in U.S. stock prices, one might think that the financial markets were reacting to dangerous or NEWS ANALYSIS

# That is not the case.

The U.S. economy has been perking along at the same moderate pace for two or three months, and economists say it might continue to do so next year as well.

By Louis Uchitelle

"There was nothing in the latest data

Sommers, a senior economist at the Conference Board, a business organization. Indeed, most of the economic news in recent days would have been regarded

earlier in the year as good news for the markets. The Commerce Department, for example, reported that exports had reached a record level and imports had dropped in September.
"It was the trade number everyone

to change this assessment," said Albert T. wanted and expected and yet the stock market collapsed," said Stephen S. Roach, senior economist at Morgan Stanley & Co., referring to the 38.59point drop in the Dow Jones industrial average last Wednesday, the day of the

U.S. Economy Keeps Rolling Along Despite Jittery Markets

In addition, the latest figures on retail sales, industrial production, inventories and housing, all released in the past 10 days, tended to endorse a widely held view that the economy continues to grow. but with few inflationary pressures. However, the government reported

percent in October, a bigger-than-expected rise. And after removing costs of food, shelter and energy, the consumer price in the wake of the U.S. election, or that index rose 0.7 percent last month. (Page President-elect George Bush will not act

But economists say inflationary pressures have not increased much in recent months. "There is still the same mixture vey, a senior economist at Goldman, Sachs & Co.

Clearly, the markets, in dropping over

to fears that the industrialized nations might not continue to support the dollar in the wake of the U.S. election, or that soon enough or strongly enough to re-

duce the budget deficit. while these fears were real, the economy had not really changed, nor

of strengths and weakness that have been acquired the seriousness of the budget evident all along," said Edward McKel-deficit.

See ASSESS, Page 21

# **Labor Breaks Off Talks** On Coalition in Israel By Joel Brinkley

New York Times Service JERUSALEM - The Labor Party formally broke off coalition talks with its rival Likud on Tues-day, saying the negotiations were fruitless.

"It has become clear that no ba-Arafat says he'll get a visa to ad-

sis exists for entering negotiations for establishment of a wide coalition government," a party state-

dress the UN, but Washington denies receiving a request. Page 8.

Labor leaders said they were now ready to join the opposition. Ezer Weizman, who was Labor's campaign chairman, said, "The party will reflect on itself and in my opinion will sit with honor and effi-

extreme right and religious parties.
A majority of Israelis, including many leaders of Likud, find that prospect unappealing and worri-some. Tens of thousands of Israelis have been calling for a renewed "national unity" government be-tween Labor and Likud that excluded the religious parties.

On Sunday, Foreign Minister Shimon Peres, the Labor Party leader, said he was willing, though by no means eager, to join a coali-tion government with Likud because the alternative "couldn't be any worse."

Labor laid out a series of stiff demands, including rough parity in cabinet positions. But when Likud failed to respond to some Labor requests, "we decided there was no reason to go on with this," a Labor

Although the Labor Party's ciency in the opposition."

If Labor's word is final, then ement appeared firm, officials See ISRAEL, Page 8 Israel is almost certain to be led by

# With Royal Ceremony, an MI5 Charter



Prince Philip helping Queen Elizabeth step down from her coach for the opening of Parliament.

By Craig R. Whitney
New York Times Service

LONDON - As prescribed by Elizabeth II, all but immobilized by crown, robe, and ceremony, told Parliament on Tuesday what her government planned to do over the

It will, for the first time, provide a written legal basis for the existence of the secret domestic intelligence service, MI5, and sell all power utilities and the water companies in England and Wales to

private investors, the queen said.

Borne in a horse-drawn Australian carriage to the neo-Gothic House of Lords entrance on Parliament Square on Tuesday morning, the queen was given a silver satchel containing the speech prepared for her by Prime Minister Margaret Thatcher's government, and read it verbatim, as she must. The MIS

proposal was the main surprise.
"A bill will be introduced to put the security service on a statutory basis under the authority of the secretary of state," she said. But government officials said it would not provide more parliamentary oversight, as demanded by critics.

What the government proposal means is that MI5, which was established in 1909 and now is accountable to the secretary of state for the Home Office, Douglas Hurd, will get an official charter. Though it has about 2,000 employ-ees and a large headquarters build-ing in central London, it nowhere has a basis in law like the charter of the Central Intelligence Agency, the National Security Act of 1947. MI5 has been rocked by scandal

in the past two years, because of disclosures in "Spycatcher," a book the government fought hard to ban.

The book, by a former MI5 em-ployee, Peter Wright, alleged that the secret service plotted against at least one foreign head of state, kept tabs on the Labor Party for years as potentially subversive and considered a plan to discredit one of the party's leading members, Harold Wilson, when he was prime minis-

ter.
The closest thing to the CIA in See PARLIAMENT, Page 6

# **Pretoria Approves Pullout**

# **Botha Expects** Signing of Pact On Namibia Soon

By William Claiborne JOHANNESBURG - The

South African government approved on Tuesday a historic regional peace plan for southwestern Africa, already accepted by Angola and Cuba, that is to lead to the withdrawal of 50,000 Cuban troops from Angola and independence for Namibia, which has been occupied by South Africa for 73 years.

After the cabinet decision, Foreign Minister R. F. Botha said he expected that a formal "tentative" agreement on a timetable for the Cuban pullout would be signed by the three parties in Brazzaville. Congo, within a week or two. "The hard nut that had to be

cracked has been cracked," Mr. Botha said at a news conference. But he campioned negotiators still have to thrash out a system for

guaranteeing that the Cubans hold to the withdrawal schedule. He also said his government had informed U.S. mediators that there. could be no peace in the regionunless the Angolan government agreed to a process of national rec-

onciliation with Jonas Savimbi. leader of the National Union for the Total Independence of Angola. Delegations from the three countries are in New York to begin working out a verification mechanism for the timetable of withdraw-al of the Cuban troops, which is

expected to begin as early as Feb. 1. South African diplomats described the New York talks as technical and said there appear to be no major hurdles to reaching agreement on verification systems.

Mr. Botha disclosed no details of the withdrawal timetable, but diplomatic sources have said it covered a 27-month period, with about half of the Cubans being repatriated the first year after the beginning of the independence process for Namibia, the territory formally known as South-West Africa. The remaining troops would leave the next year.

Mr. Botha stressed that for the peace process to go forward after the Brazzaville signing, "a lot of hard work has to be done" to reach agreement on withdrawal monitoring mechanisms acceptable to South Africa, Angola and Cuba.

would have to be three separate verification groups:

 A United Nations Transitional Assistance Group, which would monitor the political process leading to elections for an independent government of Namibia

 A second body to monitor the month-by-month withdrawal of the Cuban troops, reportedly under a schedule under which they would move 240 kilometers (150 miles) north of the Namibian border within three months of the start of the process and three months later to the vicinity of the Benguela Rail-way, about 400 kilometers north of the border.

● A joint committee including South Africa, the United States, the Soviet Union, Angola and Cuba, which, Mr. Botha said, would be a "super appeals court" to which any party could lodge complaints of violations of the agreement.

### U.S. Backs Stand The United States said Tuesday

that South Africa's acceptance of a schedule for Cuban troop withdrawal from Angola cleared the way for the signing of a peace agreement for southern Africa, Reuters reported from Washing-

ton.
"With this step all three governments involved in these talks have signaled their acceptance of the Geneva understandings," the State Department spokesman, Charles E. Redman, said.

# Chun Is to Repent On TV in Korea

United Press International SEOUL - South Korea's disgraced former president. Chun Doo Hwan, will humble himself on television Wednesday by apologizing for abuses of power and corruption, aides said Tuesday.

They said the former general who took power in a coup, would break months of silence, and the Korea Broadcasting System said it planned to broadcast his speech at

The speech would mark a stun-ning fall for Mr. Chun who, in eight months, went from absolute power to a man abandoned by his political allies, dogged by his former foes and trammeled by the pace of democratic change.

The exact content of his speech was unknown, but aides sketched a plan whereby Mr. Chun would apologize for abuses and corrup-tion, call for an investigation of his assets, return his house to the state and accept internal exile.

# A Soviet Psychiatrist Accuses

Article Describes Systematic Abuses to Silence Dissent

By Felicity Barringer

MOSCOW - A Soviet newspaper has published an

The psychiatrist, Mikhail I. Buyanov, asserted in an article Saturday in the teachers' newspaper Uchitels-kaya Gazeta that, in the 1970s, Soviet psychiatrists gave law-enforcement officials "the idea that anyone opposed to anything was, hiddenly or openly, a mental

had been willingly deputized by "extra-medical orga-nizations and officials," apparently a reference to both law-enforcement officials and the KGB, and "acceded

article by a Moscow psychiatrist supporting Western charges that Soviet psychiatry was systematically used to suppress dissent in the 1970s.

He added that members of a demoralized profession

to any whim of the local authorities." to any whim of the local authorities.

Although articles in the Soviet press since the summer of 1987 have criticized some Soviet psychiatrists as corrupt, poorly trained and ineffectual, Mr. Buyanov goes well beyond anything previously published here in charging, as Western critics and Soviet dissidents have long maintained, that Soviet psychia-

trists systematically abused their profession to sup-Publication of the article comes at a time when Soviet psychiatrists are seeking readmission to the World Psychiatric Association; they have agreed to a

visit by American psychiatrists in January. The U.S. group, which is expected to request and receive case histories of people who were confined to mental institutions apparently for political actions, will visit Soviet mental hospitals, according to a statement on the visit prepared by U.S. and Soviet officials and issued by the State Department in Washington on Manday. The group also expects to examine some of Monday. The group also expects to examine some of

these patients. According to Alexander Podrabinek, a dissident who has been monitoring Soviet psychiatry for a decade, there are at least 30 confirmed cases of people still committed to mental institutions as a result of political activities, and 120 or so other suspected cases.

"There's never before been anything like this article," Mr. Podrabinek said. "But people are still in See SOVIET, Page 6

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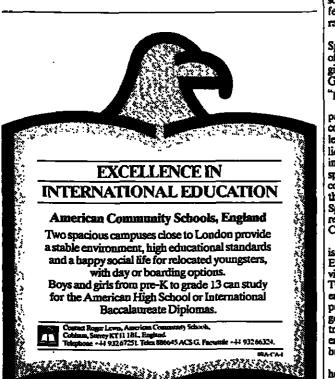
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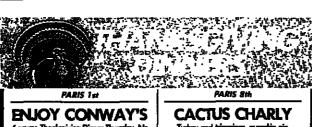
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# Mitterrand Pressures Spain to Buy TGV By Barry James

International Herald Transport
PARIS — President François Mitterrand will try to persuade Prime Minister Felipe González of Spain on Wednesday to buy France's high-speed train for a new rail link between Madrid and Seville. The issue is of major political and economic importance to both

Mr. Mitterrand and Mr. González are to meet in Montpellier in southern France for a two-day conference that is overshadowed by the

In a background briefing for Spanish correspondents, French officials said a decision by Spain to give any part of the order to West Germany would be considered a "politically unfriendly" act.

France, West Germany and Japan are competing for the Spanish contract, reported to be worth at least 80 billion pesetas (\$700 million). It will be the first contract involving the sale of ultra highspeed railway equipment by one country to another and could pave the way for further business as Spain expands its links with the rest of the European Economic

National prestige as well as cash is involved. France, which has built Europe's first high-speed rail ser-vice, the Train à Grande Vitesse, or TGV, considers itself a world leader in the field. Mr. Mitterrand has personally taken charge of the negotiations to make sure the contract goes to the Alsthom SA heavy engineering conglomerate, which built the TGV.

A West German consortium headed by Siemens AG has offered Spanish government accepts its of-purely political grounds.

fer of a train that is still in the experimental stage. Analysts say that winning even part of the contract would be a coup for the German consortium. Losing it would put West Germany at a serious disadvantage against France in the development of future high-speed

According to press reports in as an alternative to air travel on Madrid, the Spanish government is short and medium-distance routes.

French officials said a decision by Spain to give any part of the order to West Germany would be considered a 'politically unfriendly' act.

studying a proposal to buy 24 sets of passenger trains from France and 75 locomotives from the German consortium, dividing the contract roughly in two.

But France believes there are no technological reasons for preferring the untried German train over its own well-tested system, which is now being extended toward the Atlantic and Channel coasts. The TGV more than halves traveling time to two hours for the 400-kilometer (240-mile) journey from Par-is to Lyon and it has been an important financial and technological success on that route.

Meanwhile Mitsubishi Corp. in Japan is offering a version of its "bullet train" at a price said by Spanish sources to be considerably lower than that of the proposed French and West German systems. Mitsubishi recently warned of economic retaliation if Spain chose to set up a factory in Spain if the one of the European systems on

In an interview with Le Monde, Mr. Gonzalez said Tuesday that the purchase was a major decision for Spain and one that could have important repercussions for its own railway, steel and electrical equipment industries.

The choice of a high-speed train system would make Spain dependent upon the country selected for the forseable future, he said. But once that decision was taken, he added, the government might be "flexible" in ordering French, Ger-man or Japanese rolling stock.

Mr. González said the problem for Spain was to renew its railway system while considering its links to the rest of Europe.

Within a month, he said, the government will decide whether or not to begin a massive modernization program to change the entire 13,000-kilometer rail network to the slightly narrower gauge used in the rest of Western Europe. At present, only the Spanish market.

According to economic analysts,
Mitsubishi sees the Spanish contract as an opportunity to enter the

TALGO intercity express trains are equipped to run both on Spanish and other European tracks. On oth-European rail market, to find a use er services, passengers have to for some of its spare heavy indus-switch trains at the frontier, and trial capacity and as a step toward the wheel systems on freight cars winning contracts in the United have to be changed.

States. It believes high-speed trains could be used in the United States government, which is studying a technical report prepared by as an alternative to air travel on RENFE, the state railway company, inclines toward a "European solution" involving a change of gauge. He said Spain would finance most of its modernization program but would seek European Con nity financing for a change of

> Adapting the European standard would go some way to mollifying the Catalan and other northern regions, which have bitterly contest-ed the decision to build the first high-speed rail link between Madrid and Andalusia, Mr. González's home region.

The Catalans argue that building the railway network northward and adapting the European width would put Barcelona and Madrid within reasonable traveling distance of Paris, Frankfurt, Brussels and, once the Channel tunnel is built, of London-

But improving links with the south was considered of greater need. Much of the existing line is single track, and there is a major bottleneck in the Despensperros Pass, one of the busiest in Europe.

The government considers the poor communications to be an impediment to Andalusia's economic development and wants to have the Tren de Alta Velocidad, or TAV, in service by 1992 — in time for the Expo '92 world fair in Seville and the advent of a European single

# WORLD BRIEFS

# Miners and Riot Police Clash in Paris

PARIS (Reuters) - About 500 miners from the impoverished eastern region of Lorraine clashed violently with riot policemen outside the office

of Prime Minister Michel Rocard on Tuesday. A police spokesman said 25 officers were slightly injured during demonstration against the failure of salary talks. Mr. Rocard's government has in the past three months had to cope with strikes in the pull sector by prison guards, nurses, postal workers and railroaders.

The miners threw iron bars and burning sticks at a police cor overturned a police car and smashed store windows and car windsin the spokesman said. The violence erupted after talks with a govern official who-refused demands by the miners for a raise of 450 fi (about \$76) a month.

# Israeli Air Strikes Kill 6 in Lebanon

SIDON, Lebanon (AP) — Israeli warplanes attacked PLO guerns bases Tuesday near the southern port city of Sidon, killing six Palestra ians and wounding nine, the police said.

In Jerusalem, a military spokesman said the targets were guerrill, headquarters that served as launching points for assaults against Israel. The attacks were carried out as Lebanon marked the 45th anniversar. of its independence from France. It was the 22d air strike this year any the first since the Palestine Liberation Organization declared an independent Palestinian state on Nov. 15.

# 6 Scientologists Expelled by Spain

MADRID (Reuters) — A Spanish judge ordered on Tuesday the expulsion of six persons who had been detained in a police raid on the hurch of Scientology, court sources said.

Diplomats said the six included three Britons, an American, a Dane

Judge José Maria Vazquez Honrubia has so far released 41 members of the international sect and ordered nine others jailed. The judge said they could face charges ranging from fraud to tax evasion. They were among 71 people detained Sunday at a Madrid congress of the organization; which claims branches in 30 countries.

### 60 Hurt in Sudan Peace-Pact Protest KHARTOUM, Sudan (Reuters) - Thousands of Moslem militants

battled with Sudanese southerners in central Khartoum on Tuesday during protests over a pact to end the civil war in the south. Authorities said at least 60 persons were injured, with five remaining in bospitals and two in critical condition. Witnesses said crowds had fought with knives, clubs and stones. The police used tear gas and fired in the air to break up the protests.

Most battles broke out in the area leading to the cabinet offices and the armed forces headquarters during protests by Moslem supporters of the National Islamic Front, the third-largest partner in the coalition government. The front calls the accord to end the five-year war a surrender. It was signed Wednesday in Addis Ababa, Ethiopia, by representatives of the Sudan People's Liberation Army and the Democratic Unionist Party, the second-largest coalition party.

# U.S. Aides Meet on Noriega Case

WASHINGTON (Reuters) — The Reagan administration, with only

washing fun (keuters)— The Reagan auministration, with pury two months to go before President-elect George Bush takes office, has reseramined the possibility of reaching a settlement with the Panamanian bleader, General Manuel Antonio Noriega, administration officials said. General Noriega has been indicted by the U.S. government for drug trafficking and racketeering. "We keep looking at the situation; it's an ongoing process," an official said Sunday, but he added that there had been "no particular change" in the proposets of persuading the Pennamanian been "no particular change" in the prospects of persuading the Panamanian armed forces leader to give up power.
"We're continuing to push it, but there's not really anything new."

another said. They were commenting on a report Sunday on television that representatives of the State, Treasury and Defense departments and the Central Intelligence Agency and the National Security Council met to consider the problem last week.

# A Son of Trotsky Is Rehabilitated

MOSCOW (Reuters) - A son of the Soviet revolutionary leader Leon Trotsky, Sergei Sedov, who was shot in Moscow in 1937 after his father was alleged to have plotted to kill Stalin, has been rehabilitated, the

government newspaper Izvestia reported.

Izvestia said a session of the Supreme Court considering thousands of appeals against death sentences passed down during Stalin's purges had "litted all charges" against Mr. Sedov, who stayed behind when Trotsky was exiled abroad in 1929.

The decision appeared to be the latest in a cautious movement towards partial rehabilitation of Trotsky himself, murdered in Mexico in 1940 on

# Blizzard Cools Off Unrest in Kosovo

PRISTINA, Yugoslavia (Reuters) — Ethnic unrest subsided Tuesday as a blizzard raged in Kosovo Province after five straight days of protests by ethnic Albanians over the removal of local Communist leaders Roads in Kosovo were frozen over, and harsh winds and snow blew through the almost empty streets of the regional capital, Pristina.

Tens of thousands of ethnic Albanians, who are in a majority in the

province, have been protesting the removal of local leaders under pressure from Yugoslavia's biggest republic, Serbia. Yugoslav television said Tuesday that the Kosovo party's Central Committee would contene Thursday to discuss the situation in the province.

# TRAVEL UPDATE

# **Europeans Assailed Over Air Delays**

BRUSSELS (Reuters) — The Association of European Airlines accused governments on Tuesday of stalling on finding a solution to the problems facing European air travelers.

Karl-Heinz Neumeister, secretary-general of the group of 2! scheduled airlines, dismissed a decision last month by transport ministers to work toward a common system of air control as "little more than a declaration

Passengers last summer experienced record delays blamed on the fragmented nature of the Continent's air control system, based on 20-odd national authorities. The association figures issued Tuesday predicted further congestion, saying aircraft movements were forecast to rise 45

Regular Liège-Paris Orly flights will be started soon on a twice daily basis by Air Exel, the airline said Tuesday. The line also plans a daily link between Liège and Lyon. The company said it also had been given permission to link Liège to Chambéry, Nice and Tarbes-Lourdes. (AFP)

The Dorchester, a fashionable London hotel, was fined £6,500 (\$11,700) on Tuesday after cockroaches were found under a kitchen freezer. A court was told that the hotel, owned by the Sultan of Brunei, admitted 17 breaches of food and hygiene regulations in its main kitchen. (Reuters)

# Soviet Shuttle Faces U.S.-Style Criticism

By John Noble Wilford New York Times Service

NEW YORK — Fresh from its triumphant first flight in space a week ago, the Soviet Union's new space shuttle now faces the same hallenges and criticisms that confront its American competitor.

The most outspoken opponent of the program, Roald Z. Sagdeyev, retiring director of the Space Re-search Institute in Moscow, said

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standing technological achievement" but a costly mistake. "It went up; it came down," said

Mr. Sagdeyev, who is visiting the United States with Andrei D. Sakharov, the dissident scientist. "But it had absolutely no scientific value," he said in an interview with the Associated Press. "My

personal view is that American experience with the shuttle indicates that from the point of view of cost efficiency, the shuttle is in deep trouble. It is much simpler and cheaper to fly a payload with any kind of expendable vehicle." Soviet officials, in describing

their shuttle in recent days, were payloads might be.

American experts on the Soviet

especially vague about its purpose. They said it could be used to bring heavy payloads back from orbit for repairs but gave no hint what those

reusable Soviét shurtles

program say they could see no immediate justification for a fleet of

Some speculated that in the long the logic of science," Mr. Sagdevey run it might be the first step toward assembling and operating a large orbiting space station in the next decade.

The Russians themselves may not know what they will be using the shuttle for," said an American specialist on Soviet technology. who requested anonymity, "Their program was started 10 years ago. mainly in response to the American shuttle.

For years some Soviet officials complained that their shuttle was just a misguided effort to match the United States. But not until recently had they become bold enough to. criticize their program in public.

In an unusually blunt article recently on Soviet science, Mr. Sagdeyev charged that the American shuttle - and by implication the

Soviet version -- was a costly mis-

The U.S. aerospace industry, like the Soviet industry bureancracies, used its influence to subvert

wrote. "We have put too much emphasis on manned flight at the expeose of unmanned efforts that produced more scientific information at lower cost." His objections to the shuttle and

manned flight echo those of American scientists in similar positions.

The Soviet scientist is a close adviser to President Mikhail S. Gorbachev and has become more outspoken as the new Soviet regime has secured its hold,

Development of the Soviet shuttie apparently was begun in the 1970s, under the regime of Leonid L Brezhnev, according to American experts.

Too much had already been invested for it to be canceled after the American vehicles failed to fulfill the goal of being more efficient and cost-saving than an expendable, unmanned craft. At least four or five Soviet shuttles are believed to



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day night not to declare itself sov-AL DIWAN The vote in the Latvian Supreme Let's calebrate Thombagiving Day togethe Laborese gostr, cooling, Coterer's postrie 30 Av. George-V. Res. 47 20 84 98. Soviet followed by several days a similar vote in the Lithuanian legis-PARIS 11th lature and left Estonia as the only Be thankful for good food. Fun at one of the three Baltic republics to CACTUS BLEU

> Soviet legislation. Estonians had hoped that their drive for sovereignty, issued last week at a special session of their Supreme Soviet, would be joined by Lithuania and Latvia.

have granted itself veto power over

But after Moscow declared that the Estonian vote was unconstitutional and offered to modify some of the more criticized points in its draft amendments to the constitution, Lithuanian and Latvian legisators backed away from a confron tation and decided against supporting what is being called in

the Baltics "the Estonian clause." Members of the Latvian legisla-ture, however, gave only condition-al approval to the proposed constitutional changes, which President Mikhail S. Gorbachev has said are essential to his reform program and which are scheduled to be adopted at a meeting of the Supreme Soviet in Moscow on Nov. 29.

They voted instead to ratify those changes only if Moscow incorporates several suggestions proposed by the Latvian leadership that insure the rights of individual republics.

"They basically accepted and approved compromise material," said Janis Peters, chairman of the Latvian Writers Union and a founder of the Latvian Popular Front, a grass-roots movement that has called for more political and economic au-

tonomy. "To me such a decision is improper," said Mr. Peters, who was continue." invited to the legislative session as a guest. "Our Supreme Soviet should have been stronger."

As part of the Kremlin's strategy to coax support from the Baltic republics, representatives of the Latvian leadership were invited this week to Moscow to meet with Anatoli I. Lukyanov, first vice president of the presidium of the Supreme Soviet, the executive committee of the Soviet legislature.

At that meeting, the Latvian president, Anatoli Gurbanov, presented complaints from his constituents that the draft proposals concentrated too much power in Moscow and deprived the Baltic republics of authority within their own borders.



# U.S. Education Secretary to Focus On Dropout Rate Among Minorities

"He clearly is not taking the ap-

proach that Bennett and his crew

took," said David Merkowitz, a

going for the quick hit and the big beadline. He obviously wants to

Some educators worry that,

where Bennett succeeded in raising

education on the national agenda,

the consensus-minded, noncontro-

"It's somewhat disappointing,"

said one former education depart-

ment official of Mr. Bush's choice.

"It seemed an easy place to make an interesting and bold appoint-

At the same time, educators are

well-aware that Mr. Bush vowed to

be "the education president," and

they are waiting to see if the new administration fulfills its pledge. During the campaign, Mr. Bush proposed three new or expanded

federal programs in education:

aid experimental efforts from \$12 anything

versial Mr. Cavazos may fail.

cooperative approach."

the ideological, conservative ap-pointees at the department have million in federal matching funds

spokesman for the American cated he will not abandon the Council on Education. "He's not themes pushed by the Reagan adgoing for the quick hit and the big ministration: holding educators ac-

look at the problem and create a raising standards and offering par-

\$500 million in awards to disadvan-taged schools that show improve-Finn said. "It might mean a loss of

ment; expansion of a program to a sense of urgency about changing

for magnet schools.

Mr. Cavazos, 61, a former pro-

fessor of physiology and president of Texas Tech University, has indi-

countable for school improvement.

ents more choice among schools.

But, even as the education com-

munity welcomes its "education

president," there is a broad recog-

nition that sweeping new programs are unlikely in light of the federal budget deficit. Even Mr. Bush's

campaign proposals may be at risk.
"Squeezing out the pennies for

those is not going to be easy," said Chester E. Finn Jr., former assis-

Mr. Finn expressed anxiety that

Bush's vow to create a "kinder,

gentler" nation will mean that the

administration no longer chal-

lenges educators and the sector Mr.

Bennett derisively labeled "the education establishment."

"The establishment types have

tant education secretary.

By Barbara Vobejda

Washington Post Service
WASHINGTON — Education Secretary Lauro F. Cavazos calls it "my awareness campaign" and, m his two months in the Reagan administration, the issue has dominated almost every speech and interview. The subject — the school dropout problem, particularly among minority students - is one of the few matters that Mr. Cava-

zos seems to get exercised about. "This country has not recognized the severity of the problem" he said. Mr. Cavazos, the first Hispan-ic cabinet member, cited a 40 percent dropout rate among Hispanics: "I can't believe we can let that

Mr. Cavazos, whom President-Elect George Bush said Monday would remain in his post in the new administration, has made it clear that his priorities lie in aiding disadvantaged and minority students, who disproportionately drop out of and fail in school

And since he was named to replace William J. Bennett in a move widely seen as an effort to gain support for Mr. Bush in Texas and the Hispanic community, Mr. Ca-vazos has also made it clear that he is very different from his predeces-

To education groups, Mr. Bennett was seen as an adversary, while Mr. Cavazos has gone out of his way to garner the support of educators and their organizations. Mr. Bennett supported Reagan administration budget cuts in education; Mr. Cavazos has vowed to fight for additional funding. And many of

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# **AMERICAN TOPICS**

When Outsiders Give College Exams

Testing of college students by outside examiners, a practice common in the 19th century, has since fallen into disuse, but not at Marlboro College in Vermont, which has only 240 students. Vermont's Middlebury College, Swarthmore in Pennsylvania and Oberlin in Ohio use outside examiners for honors students.

Other institutions may follow. Assessment by outsiders "is looming as the collegiate educa-'tional issue of the 1990s," Robert Zemsky, director of the University of Pennsylvania's Institute for Research on Higher Educa-tion, told The New York Times.

Marlboro, small and relatively isolated, considers outside examiners vital as external reference points. The Times says the teachers, even more than the students, are on trial. "Having one of your students — someone you have tutored for two years - being judged by an outsider can be pretty threatening," says Geral-dine Pittman Batile, who teaches

Faculty members become coaches rather than intellectual authorities. "Our authority de-rives from our knowledge of how to help students find out what is right," said T. Hunter Wilson, who teaches creative writing. "It doesn't come from the power to

**Short Takes** 

The National Wetlands Policy Forum, a bipartisan panel of state and federal officials, business people and conservationists. has recommended a national goal of creating more wetlands than are being destroyed — re-versing a trend that has drained about half of the 215 million acres (86 million hectares) of marshes, bogs, fens, swamps and fiver estuaries in the contiguous 48 states over the centuries. Once considered wasteland, wetlands are now recognized as crucial to reducing pollution, protecting wildlife, cleansing groundwater and controlling erosion.

.. "I think it's inevitable that in this country there will be a wom-an president." Ronald Reagan said in a recent talk to Washington high school pupils, "because they've come up in so many different fields." He added, "I wel-



clothing to protect soldiers from chemical warfare agents. The mannequin, dubbed Manny, will be covered with a rubber skin containing sensors to detect leaks in the protective clothing.

The total number of cats, dogs, birds and horses kept by Americans is 126 million, or one for every two persons. When ham-sters, fish, turtles, snakes and rabbits are counted, the total climbs to more than 200 million creatures, according to the American Veterinary Medical Association.

Women constitute 15.8 percent of state legislators and 5 percent of members of Congress this year, compared with 13.3 percent in state legislatures and 4 percent in Congress in 1983. The Women's Research and Education Institute called it "snail's pace"

The police in Wankesha, Wis-consin, arrested Harold Schmidt, 27, for burglary and said he had telephoned his grandmother in Florida from the scene of the crime. The police had questioned and released him earlier about the burglary. He was booked after the victim received her telephone bill several months later.

Arthur Higbee

# A Boost for U.S. Trade Policy

Mulroney Victory Helps Efforts to Eliminate Tariffs

By Stuart Auerbach

Washington Part Service
WASHINGTON — Prime Minister Brian Mulroney's victory in the Canadian elections provides a major boost for Reagan administration trade policies and increases the odds for success in crucial international trade talks in Montreal next month.

The election turned into a referendum on the U.S. Canadian free trade agreement, which had been sought by the Mulroney government and had already been approved by the United States. It would create the world's largest tariff-free market, stretching from the Arctic Circle to the Rio Grande.

The free trade pact is a cornerstone of Reagan administration trade policies. Its approval in the United States fulfilled a longtime dream of the president, who articulated his vision of a North American free trade zone when he announced for the presidency in 1979.

Leaders of both Canadian opposition groups John Turner of the Liberal Party and Ed Broadbent of the New Democratic Party -had vowed to tear up the pact if they won.

Analysts said a Mulroney victory would assure Canadian approval of the agreement, removing the threat that hangs over international trade talks that start in Montreal in two weeks. Ministers of 96 nations will gather then to review progress on strengthening Agreement on Tariffs and Trade, or GATT.

Mr. Mulroney's victory is expected to help those negotiations liberalize trade around the world, a major element in Reagan administration trade strategy. The White House has used the agreement with Canada as an example of the benefits of free trade and bran-dished it as a club by threatening to enter into similar pacts with other countries if the global negotiations fail to make progress.

Clayton K. Yeutter, the U.S. trade representative, told Congress last summer that a rejection of the agreement "would send the wrong signal to the rest of the world. We would lose the impetus it gives to the new GATT round on which both the United States and Canada count so heavily."

He said there could be little hope of success in the GATT talks, "If the U.S. and Canada — the two largest trading partners in the world, next-door neighbors, the closest of friends and allies - cannot liberalize their trading relationship."

The U.S.-Canada agreement was seen around the world as a giant step for free trade at a time when the concept was being battered by protectionist winds in the United States and other countries.

The agreement, moreover, addresses areas of trade that did not exist when GATT was formed 41 years ago out of the ashes of World War II. These include trade in services, one of the most complex problems confronting the current GATT talks, and the climina-

tion of barriers to foreign investment. By the same token, analysts said that some countries would have seen Canada's rejection of the agreement as a repudiation of the free trade philosophy and would use it as an excuse to continue protectionist

For example, aides to the incoming Mexican president, Carlos Salinas de Gortari, said his program to liberalize import barriers would be damaged by a Canadian defeat of the agreement with the United

The importance of the Canadian agreement to overall U.S. trade strategy was underscored in a magazine article last January by James A. Baker 3d, then the Treasury secretary, who said one of the benefits of the pact was that "it provided an incentive to other governments" to lower trade barriers.

And if they did not, Mr. Baker brandished the threat of forming a "chib" of free-trading nations that would supplement GATT. The unspoken threat was that the United States would grant those nations preferential access to its market, the largest and richest

"We can demonstrate a hard-nosed Yankee-trader realism about bargaining," Mr. Baker said.

If other nations are not ready to liberalize trade

rules under GATT, he wrote, "we will begin with those that are and build on that success." Mr. Baker, who will be secretary of state in the Bush administration, played a key role in final negotiations on the Canadia

# What put the Sir in Sir Walter Scott?

It has been commanly assumed that Sir Walter Scott was given his knighthood for services to literature.

However, there is a school of thought which is puzzled by his constant publicising and praising of The Glenlivet single malt whisky. It is mentioned frequently in his writings.

The Glenlivet was also the Monarch of that time's favourite whisky. It was said "he would drink nothing else".

Is there a connection

between these two facts and his knighthood? I believe we should be told.

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Hope to see you again in 1992!

# Carl Hubbell, Baseball Star, Is Dead

SCOTTSDALE, Arizona - Carl Hubbell, 85, the pitcher who won

253 baseball games and was perhaps best remembered for his consecutive striking out of Babe Ruth, Lou Gehrig, Jimmy Foxx, Al Simmons and Joe Cronin in the 1934 Mr. Hubbell died two days after he was injured when his car struck

The left-handed pitcher com-piled a 253-154 record during his 16 years as a major leaguer. He won 21 or more games for five straight years, earned the Most Valuable Player Award with a 26-6 record in 1936 and set what was then a record 461/2 consecutive scoreless innings from July 13 to Aug. 1, 1933. He was elected to the Hall of Fame

World Series. He later worked for the Giants as an executive and sout: World War II, Nov. 14 of heart failure in Hilton Head, South Car-

His most celebrated feat was the consecutive strikeouts of Ruth, Gehrig and the three other future Hall of Famers in 1934. His specialty was the screwball, which curved away from right-handed

Jennie Lee, 84, a Scottish coal miner's daughter who rose to be-came a Labor Party member of came a Labor Party member of career with Boeing Co., Thursday Parliament and minister of state for of cancer in Seattle. He helped prothe arts and who was awarded a life peerage as Baroness Lee of Asheridge, Nov. 16 in London. She had been married to Aneurin (Nye) Bevan. The cause of death was not

Tala Yaqoub, 49, secretary-general of the hard-line Palestine Lib-Mr. Hubbell's career, spent en-tirely with the New York Giants, eration Front group, Thursday of a spanned the years from 1928 to 1943, during which time the team

mand post.

Vlad Georgescu, 51, a Romanian historian who was a leading dissident in his country in the 1970s and who for the last six years directed heart attack in Algiers. the Romanian service of Radio Haywood S. Hansell Jr., 85, who Free Europe, of a brain tumor Nov. the Romanian service of Radio

Frederick Ungar, 90, who fled

the German occupation of Austria and published the works of Goethe.

Thomas Mann, and Erich Fromm in the United States, Nov. 16 of heart failure in Scarborough, New

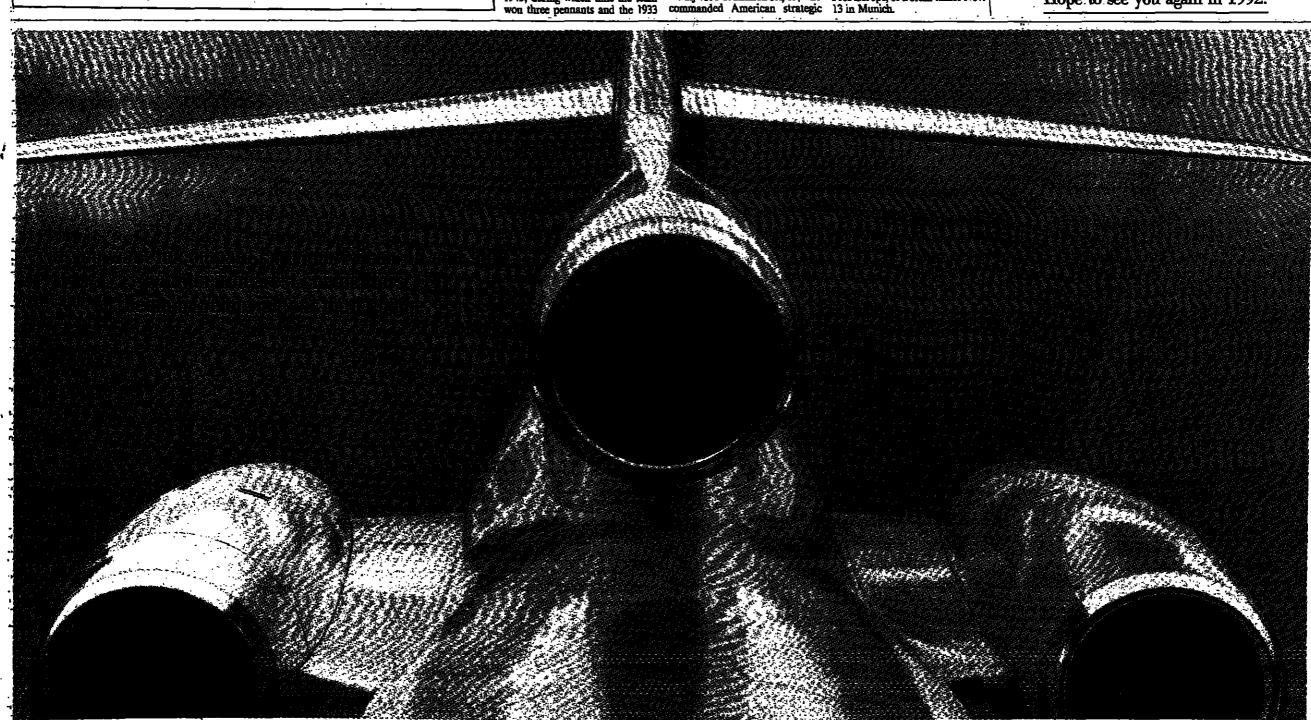
Douglas E. Graves, 70, who han-

dled development of several major

weapons systems during a 43-year

duce the cruise missile, the short-

range attack missile, the airborne warning and control system and the E-4 advanced airborne com-



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zones, just

keep in mind the importance of the on-board electronics of a long-range aircraft.

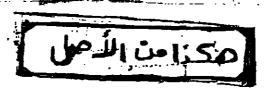
Objectively speaking, the security offered by the three-engine Falcon is comparable to that of commercial airliners, not of other corporate jets in their class. This is of course why executives prefer

the Falcon 50 and 900.

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# **Apartheid Wins in Court**

widely seen as the most important political trial in South Africa since Nelson Mandela and others of the outlawed African National Congress were convicted a quarter-century ago, has convicted the leaders of the current leading anti-apartheid organization, the United Democratic Front. This is another profound mistake by a white ruling class that is perversely unable to see its own interest, let alone the country's, in breaking up the apartheid system and granting universal political rights.

The government had cautiously allowed the UDF to come into being in 1983. But the government then denied the organization the recognition and leeway that alone might have given it the chance to channel black ourrage at white repression into peaceful political expression. So when the next and inevitable flood of protests against apartheid struck, the UDF, though it had followed the path of legal dissent, was not in a position to stanch the flow. An intelligent government concerned for its own con-stimency's well-being would have broadened the status and authority of the group and hastened to accept it as a spokesman

A provincial court, ruling in what is for black interests. Instead, with its unerring instinct for the narrow and harmful, the government lost its nerve and turned against the UDF --- by administrative edict, police action and in the courtroom.

Four South Africans have now been convicted of treason and seven of terrorism capital offenses - for, essentially, peaceful protest; sentencing is set for Dec. 5. The government argued that the protesters had incited violence. The defense claimed that the official charges all but erased the already thin difference between dissenting speech and criminality. That it took the (white) court three years to reach its verdict suggests that a bit of discussion was going on in official circles. If that is so, the way it ended indicates that the least enlightened of the ruling Afrikaners prevailed.

The apartheid system has created a new set of political martyrs while the first set is still jailed. It mocks its own plan to draw court has put the majesty of the law, such as it is in South Africa, behind state violence, and has ensured a response in kind from people demanding dignity and freedom. - THE WASHINGTON POST.

# **Bush Keeps Playing Deaf**

George Bush's first five choices for his weighed in, too, with no fewer than 23 recabinet, all moderate conservatives, convey a ports on urgent problems. The reports fore welcome message that he is more interested in solving problems than in flamning ideology. All are practical men. Would that Mr. Bush were as practical. On Monday, even as Bush were as practical. On Monday, even as he announced the selection of Richard Darman as his budget chief, he held rigidly to the notion that a \$150 billion deficit can be re-

duced to zero in four years with no new taxes.
Jimmy Carter and Gerald Ford have now joined the experts who say that the budget cannot be harnessed without more revenue. The two former presidents have prepared an "American Agenda" which properly lists deficit reduction as Mr. Bush's number one task and sensibly counsels that he reconsider two areas which he insists are untouchable. On taxes, they recommend higher levies on gasoline, cigarettes, liquor, beer and wine. On Social Security, they would hold costof-living increases to 2 percent less than the rise in the Consumer Price Index. The General Accounting Office has

see "staggering" costs just to catch up with what has been neglected in the Reagan years.

If Mr. Bush wants flexibility to launch new initiatives that will give his administration a distinct identity, he must be flexible himself. He floated at least two dozen new ideas during the campaign. Some would increase outlays while others would reduce revenue, but all would widen the deficit. Even assuming that he does not plan to launch everything at once, he will be hard pressed to launch anything at all if he does not unstrap the straitjacket he has put himself in by refusing to entertain any tax increases or Social Security modifications.

terms of hearing from all these people as to what the situation is, [and] what we do about it. But I'm not going to change my view as to how we get this deficit down." That is neither open-minded nor practical. — THE NEW YORK TIMES.

# A Move Against Steroids

The announcement of a plan for U.S. and least for some, although many scientific Soviet Olympic committees to test athletes for steroids is welcome news. It is also overdue. Sports organizations are fighting a losing battle against anabolic steroids, and the reason is that most don't have their hearts in the struggle. Only a handful of competitors, including Ben Johnson, the Canadian sprinter, were expelled from the Seoul Olympics for using the forbidden drugs. Yet, according to The New York Times's recent series on drug use, probably half or more of the 9,000 athletes at Seoul had used steroids or similar drugs.

Steroid use has long been rampant, yet sports bodies from Olympic committees downward have been failing in their re-sponsibility to deter it. Drug-using athletes set a dispiriting example to a society trying to fight drug abuse, especially to young people who are at grave risk of injury from the drugs. "The system is saying, do whatever it takes to win,' says Bill

Curry, football coach at Alabama. Athletes take anabolic steroids to help build muscle and stamina during training. Sports doctors have derided the drugs as ineffective and immediately harmful but these warnings have backfired. Steroids probably are harmful in the long run, especially in the huge doses taken by many athletes, but that remains to be proved. And they do seem to help add muscle mass, at

studies show no clear-cut effect. If there is no immediate harm, why not let everyone use the chemicals? Possible longterm effects are nothing compared with the brain damage suffered by boxers, or even injuries on the football field. Drugs may not be a natural aid to competition, but neither are many other training methods, like exercise machines or special foods.

But diet and exercise are accepted ways

of enhancing physical ability; drugs are not. Many athletes apparently take steroids not because they want to but from peer pressure or fear of losing to others who do. Because athletes are role models, many young people are taking steroids. In adoles drugs permanently stunt bone growth.

Sports organizations like the U.S. Olympic Committee have banned those steroids that can be tested for. But athletes have kept a step ahead of the testers by stopping use in time for the drugs to drop beneath current levels of detection. More regular and sensitive tests would surely eliminate drugs from most athletes' training programs. Hence this week's joint proposal to test American and Soviet Olympic athletes in training is an important step forward. Once the message is out that sports organizations are really serious about steroids, most athletes will proba-

bly abandon them with relief. -THE NEW YORK TIMES

# Other Comment

# Mulroney's Historic Victory

Prime Minister [Brian] Mulroney of Canada has just won an election of great importance for his country. It was a narrow victory but an historic one, the first time since 1874 that the Conservatives have won two consecutive terms in office.

The Liberal Party of John Turner, by turning the election into a veritable referendum on the free-trade accord with the United States, had hoped to play on emotional reflexes and not entirely unfounded fears. Canadians, the results show, preferred a path of reason. The time is past when the provinces ripped one another apart over linguistic and constitutional questions. Canada, despite lingering uncertainties, is gaining confidence in its identity.

The gamble Canada is taking will introduce the stimulant of competition into an economy that has grown rapidly in the past 20 years, allowing it to take its place among the seven leading industrial democracies. Some sectors of the Canadian economy will suffer from the new competition: textiles, furniture-making, fruits and vegetables.

Mr. Mulroney has said that the government would take care of all problems of adjustment. He is going to have to prove that he knows how to keep his word. For some Canadians, the test will be a tough one. - Le Monde (Paris).

# The Big Bad EC Is a Fiction

The screeching about 1992 is reaching fever pitch. "There is a real risk that Europe will turn into a protectionist entity as 1992 comes more and more into being," said Al Kingon, the American ambassador

to the European Community.

Hold it just a moment. Anyone would think that the European Community was deliberately transforming itself into the Big Bad Wolf of world trade, Thomas J. Berger, a Treasury Department official, said of the Community's future treatment of financial services: "We find this reciprocity concept particularly troubling." Yet reciprocity has been a feature of U.S. trade policy since 1778. The American delegation in Havana in 1946 was among the foremost in pressing for reciprocity to be embodied in the General Agreement on Tariffs and Trade. We are simply following the traditions of GATT.

Let us hope that we can soon get back to a calmer and more rational dialogue. If Europe remains disunited, we are accused of Europessimism and Eurosclerosis. If we press ahead with unification, we are greeted with cries of "Fortress Europe." All this is reminiscent of the Victorian mother asking what her children are doing and telling them to stop it. Our critics cannot have it both ways.

-Roy Denman, head of the EC delegation in Washington, in a recent newsle

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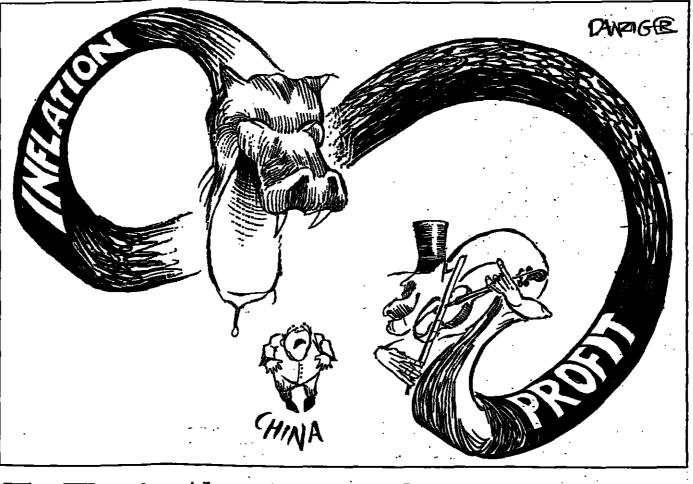
Directeur de la punication: water N. 1 Nayer.

Editor for Asia: Michael Richardson, 5 Contentury Rd., Singapore 0511. Tel.472-7768. Th. RSS6928
Managing Dir. Asia: Molcoim Glam, 30 Glouceter Road, Hong Korg, Tel. 3-8610616. Telex: 61170
Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London W.C., Tel. 836-4802. Telex: 262009
Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London W.C., Tel. 836-4802. Telex: 262009
Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London W.C., Tel. 836-4802. Telex: 427175
Pres. U.S.: Michael Convol, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175
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**OPINION** 



# The Worries About Fortress Europe Are Justified

By Giles Merritt

BRUSSELS — How seriously should the world take the threat of "Fortress Europe"? As recently as the beginning of this year it still seemed absurd that Europe's efforts to create a genuine common market by 1992 might involve freezing non-Europeans out of key sectors like banking and financial services. Since then it has dawned as a distinct possibility. By midsummer it was a widespread diplomatic whisper, and to-day it is a noisy political furor.

All of the European Community's

main trading partners are becoming alarmed. At first they welcomed Europe's drive to redress its economic shortcomings. But now many of them fear that the 1992 plan is a blueprint for protectionism. Japan's ambassa-dor to the EC recently let slip the mask of diplomatic inscrutability to describe Brussels's stance as "dangerous." He warned that Japanese investment would be discouraged by any protectionist measures.

In America the mood is becoming combative. Scarcely a day seems to pass without a warning to the Europeans that their 1992 strategy risks triggering a trans-Atlantic trade war. From Eastern Europe to Asia, from Latin America to black Africa, there is anxiety that the planned European single market will be at their expense.

HICAGO — The resignation in disgrace of

Philipp Jenninger as speaker of the Bun-

many there will never be a right moment for the

truth about Germany and the Nazis in particu-

lar, and about the pathetic fragility of decency.

Mr. Jenninger's troubles arose from a Nov. 10

speech at a Bundestag ceremony on the 50th auniversary of Kristalinacht, the pogrom that confirmed the depth of the hatred that would

Mr. Jenninger sought to put the event in context by recalling Hitler's successes from 1933 to 1938 —including the annexation of Austria, the

Munich agreement and the elimination of mass

unemployment - which, he emphasized, "were

even more fateful for the doom of German and

European Jews than his wrongs and crimes."

Noting that the Nazis' "astonishing successes"
were achieved at the cost of "the freedom-orient-

ed system drawn up by parliament, the Weimar democracy itself," Mr. Jenninger recalled the

suphoria that induced Germans to avoid ques-

a promise under Wilhelm II, that is, to bring wonderful times to the Germans? Was not Hitler

someone selected by Providence, a leader who was

only given to a people once in a thousand years?"

"Did not Hitler make into reality what was only

tioning their own loss of freedoms.

lead to Nazi Germany's war on the Jews.

justice and humanity in general.

It is clear that they are right to be worried. The European Community is not in a liberal frame of mind when it comes to external trade relations. The turmoil that is resulting from the scrapping of centuries-old national barriers inside the community is making many European industries feel vulnerable and defensive. Winners and losers in the 1992

cism about "temporary" protection, the latter camp seems to be winning.

plan are beginning to emerge. In sec-tors like automobiles, telecommunications, information technology and finance, the likely losers are looking for increased protection from their non-EC competitors to compensate for business lost to European rivals. Inside the EC there are two opposing camps on the Fortress Europe tion. Some believe that the whole point of 1992 is that its rigors will regenerate European industry; they argue that only by allowing the winds of freer competition to blow away the cobwebs of national restriction can Europe regain its international competitiveness. Ranged against them are those who insist that high-tech Europe needs temporary protection while it adjusts to the new single market. Despite widespread skepti-

There have been a spate of EC antidumping actions apparently designed to protect struggling sectors such as typewriters, photocopiers, computer printers and video recorders. But at the root of the trouble is the European Commission's insistence on "overall reciprocity." This means that non-EC countries will be asked to make special trade concessions in return for access to the new single market.

The community's commissioner for external relations, Willy De Clercq, has been trying to offer reassurance. He told a recent Club de Bruxelles conference on East-West trade: "Some of our trading partners have expressed fears that we are seeking to create a Fortress Europe. Let me assure you this is not the idea ... The same opportunities are open to firms outside the community. If you can sell successfully in one EC member state you will be able to sell successfully to all, without facing further barriers."

In fact, what the commission means by reciprocity is unclear. In areas like services, where international rules are still under negotiation as part of the GATT Unuguay round, Brussels is building reciprocity requirements into legislative proposals, particularly in financial services and banking. Else-

ment, quantitive restrictions and trade policy instruments like anti-dumping and safeguard actions, the BC is likely and sareguard actions, the 18, is farely to make up the rules as it goes along. The risk now appears to be that the EC may start negotiating bilateral trade deals that would cut right across the Uruguay round of multilateral trade negotiations. When representatives of GATT's 96 signatory countries meet in Montreal early next month for meet in Montreal early next month for the midterm review of progress in the round, the European Community's new role as a potential spoiler is cer-tain to be the focus of attention.

The temptations of Fortress Eutope are considerable. European industry is concerned that the first beneficiaries of 1992 may turn out to be American and Japanese industry. The likelihood that the EC's current \$15-billion trade deficit in high tech-nology goods will double by 1992 makes governments susceptible to demands for protection.

The risks of Fortress Europe are nevertheless greater still. Exports from the community account for about 16 percent of its aggregate GNP, while in the United States the comparable fig-

The firestorm proves the point that Mr. Jenninger was trying to make: that, forced to choose,

It is painfully ironic that while his alleged crime is that "he had no sense of occasion," his

eloguent speech effectively attacked the comfort-

ing notion that the unspeakable bestiality of the

Holocaust can be attributed solely to a handful

of things led by a crude Austrian.

To suggest that Mr. Jenninger said "true things at the wrong moment" is preposterous.

The Kristallnacht anniversary demanded a bold

confrontation with the unvarnished truth - in-

cluding a recitation of the blandishments that

transformed decent men and an enlightened,

progressive society into an unfeeling mass willing

If those who purport to honor the victims of

the Holocaust refuse to recognize the disturbing similarities between today's mourners and yes-

terday's accomplices and, more particularly, re-

fuse to consider why people of good faith have a

dangerous propensity to deny (in the case of

society's outcasts) that any murder is being com-

mitted at all, the ceremony can be nothing but a

The writer is a lawyer. He contributed this comment to The New York Times.

cruel hoax, for victims and survivors alike

ignore and condone unimaginable evils.

propriety over justice and tolerance.

# Many Take : Our Peace For Granted

By William Pfaff

BERLIN — Seventy years ago this month in Berlin the storm of German revolution was gathering. The kaiser gone, a moderate socialist leader, Friedrich Ebert, governed Germany. The chancellor, Prince Max of Baden, had handed authority over, saying: "Herr Ebert, I commit the German Empire to your keeping. Mr. Ebert's revolutionary rivals, the Spartacists (Communists) led by Karl Liebknecht and Rosa Luxern-

burg, recruited support from workers and soldiers of the disintegrating army. Mr. Liebknecht organized 3 "Council of Deserters, Stragglers and Furloughed Soldiers" to give the Spartacists a shock force. The army high command supported Mr. Ebert, on condition that he support the army, yet the wartime army

was melting away and mutinous, and Mr. Ebert was reluctant to send troops against the workers. The turmoil con-tinued into January, when finally re-volt came, and was suppressed not by the army but by the free-lance military formations called *Freikorps*, political and moral progenitors of the Nazi movement a few years later. Mr. Liebinecht and Miss Luxemburg were killed on Jan. 15, 1919.

Four days later, the election of a national assembly in Weimar, to decide Germany's future, took place.

eide Germany's future, took place peacefully. The republic established there proved fatefully compromised by the circumstances of its birth. World War I, whose catastrophic

end took place 70 years ago, was the decisive event of the 20th century. Without that war there would have been no Bolshevik or Nazi revolutions. Mussolini undoubtedly would have

# What caused World War I? We don't know.

remained a turbulent socialist factional leader. His lethal blend of socialist idealism with combative nationalism might never have happened — a mix-ture whose force still is not spent. Much of what today passes for com-munism or extreme socialism in Latin America, the Middle East, Africa and Asia is Mussolini's mixture in a dif-

ferent ideological guise. Without World War I, the Europe-

without word war i, the Enrope-an empires possibly would survive to-day. The United States might still be a regional power of the second rank. Yet we cannot really say why World War I happened. There were German expansionist aims, a naval race between Germany and Britain, nationalist conspiracies in the Relnationalist conspiracies in the Bal-kans, French determination to recover Alsace and Lorraine, Military planning and organization were geared to total war. There was an immense stock of illusions about military glory and honor. Ideas of social Darwinism were widely held, according to which war was a test of the vigor and "youth" of nations, as against their "decline." (Today we assign eco nomic causes to the same thing.)
None of this really explains why

the war happened. It seems that people simply had grown bored, and;
wanted a war. Certainly the war's
outbreak in 1914 caused celebration among people who within weeks were dead or bereaved. A young English-man, Julian Greafell, wrote, "Isn't it lucky for me to have been born so as to be just the right age ... He was killed in November 1915.

Thomas Mann described the war as producing "spiritual revolution." Rupert Brooke notoriously thanked God, "Who has matched us with His bour, and caught our youth, and wak-

ened us from sleeping."
The joy ended but the war went on. The eventual outcome was an institutionalization of nihilism, and the rise to power of individuals possessing "a satanic will, a cold joy in seeing other men perish — perhaps even human-ity itself." Those words are from Ernst Jünger, a German writer and scientist who was a soldier in bother world wars. He continued: "They seem seized by deep suffering, a howling resentment, when they sus-pect that something, anything, might stop them from devouring as many beings as they desire."

World War I crupted out of pros-

perous European parliamentary monarchies and republics, in what even then was considered a kind of golden age. It created the world in

which we uneasily live today.

The fact that we have no solid understanding of why all this happened ought to be troubling. If we do not know that, how do we know that something comparable may not be coming? We take too much for granted. International Herald Tribune.

C Los Angeles Times Syndicate.

# To Win, the Democratic Party Will Have to Change is history. The last time the Demo-crats held the White House, the eco-

Germans: Speaker Jenninger Spoke the Truth

By Richard L. Marcus

In what was no doubt the most emotionally

wrenching passage, Mr. Jenninger chillingly res-

urrected the thought processes that blindly disre-

garded the horror foretold by Kristalinacht. He said: "As for the Jews, hadn't they in the

past, after all, sought a position that was not their

place? Mustn't they now accept a bit of curbing?

Hadn't they, in fact, earned being put in their place? And, above all, apart from the wild exag-gerations which were not to be taken seriously,

did not basic points of the propaganda reflect

Although Mr. Jenninger made it clear that his

goal was to demonstrate how Germans let them-

selves be "blinded and seduced" by the Nazis,

how they "made the crimes possible through

their indifference," he was viciously attacked.

He was accused of a shocking lack of sensitive

ity, and the reported consensus among politi-cians, newspapers and many West Germans was

that "he had no sense of occasion" and that at

that "he had no sense or occasion" and that at best "he said true things at the wrong moment." On Nov. 11, Mr. Jenninger resigned with a letter offering apologies "if I wounded anyone's feelings." Michael Fürst, deputy chairman of West Germany's National Jewish Council, has

quit under pressure after defending the speech.

one's own speculation and convictions?"

WASHINGTON — The Demo-VV crats have become connois-seurs of defeat. They have it down to a nice routine now. After each presidential election, the national party leaders and the Democratic "chairs" of the 50 states, as they style themselves, go off together to contemplate the latest loss and vow that next time they are definitely going to do better. They prefer to meet in warm climes. After the 1984 defeat they went to the Virgin Islands. This time

The last time the Democrats won, the economy was wrecked. America humiliated.

it was Phoenix. But the progress of their thinking is glacial.

Each time they cancus, they decide that the latest loss was entirely the fault of the hapless nominee. In their perfect hindsight, Jimmy Carter lost in 1980 because he decided, during his climactic debate with Ronald Reagan, to reveal that his consultant on nuclear proliferation was his daughter Amy. Walter Mondale, they asserted, cost the party 49 states by the 1988 Democratic presidential saying that taxes would have to rise. Michael Dukakis was defeated because he did not say the Piedge of Allegiance. Or something like that,

Every four years these worthies unfurl their proud banner, "It Wasn't Our Fault." This year they even put Our Fault." This year they even put the party will never find its presidential footing so long as "we keep distion, declaring that they "reject the racting ourselves with our minor notion" that their third straight presidential defeat, the lifth loss in the last that the presidency is "a totally different form," from the ones.

By David S. Broder

the Democratic Party or the principles its supporters hold dear." The Democrats' collective ability to deny the bleak reality of the present and past, while focusing on a mirage of future happiness, has to command admiration. But if you are hardheaded enough to believe that one of the thing the life is supported bold dead? "principles its supporters hold dear" is the old-fashioned belief that winning is better than losing, you have to won-der if these characters are kidding themselves — or if they are serious.

Their complacency tests on the as-section that Democrats suffered no losses, indeed slightly increased their pre-election majorities in both houses of Congress, the state legislatures and the ranks of governors. Poor old Republicans, they seem to say, have to make do with the presidency and the vice presidency, while we've got all the rest. It is the equivalent of getting to hire all the extras in the burning-of-Atlanta scenes for "Gone With the Wind," while the Republicans get to play Scarlett and Rhett. But no one has told the Democrats that.

Well, actually, somebody did tell them something like that. Bruce Babbitt, the former governor of Arizona, was ruled out of the competition for mor. He found the protestations of satisfaction from Phoenix bilarious.

He told them to their faces what he had said to me in an interview on the morning after the latest defeat: that six tries, "represented the rejection of ferent kind of office" from the ones

the voters have recently been willing to entrust to the Democrats.

The presidency, Mr. Babbitt said, is a big-issue office, the place where the large questions of peace and pros-perity are confronted. So long as Democrats fail to reach for credibility in those dimensions of leadership, the White House will remain beyond their grasp. It is not like airline frequent-flyer miles. You cannot turn in 3,000 legislative scats or 34 consecutive years of House majorities and claim a free ticket to the Oval Office.

Unless and until Democrats face up to their lack of credibility on the large presidential issues - national security, the economy, community values — they cannot win. It is not a rechnical question" that can be solved by more jiggering with the system of presidential selection. Every four years the Democrats search for a new gimmick to "fix" the system of primaries and cancuses that

they have been tinkering with for 20 years. Last time it was the "Super Tuesday" primary, in which all the Southern states voted on a single day. That did not save them, so this time the hot new gimmick is a lottery. A few months before the 1992 election calendar begins, somebody will draw names to decide which state or states are first in line for primaries or cancuses.

The notion, presumably, is that if Mr. Carter, Mr. Mondale and Mr. Dukakis had spent less time in the "corrupting" environment of lowa and New Hampshire, they would have been fresher or more appealing in other states in October and November.

Maybe, but the connection is not strikingly clear. And the real problem is much deeper. It is not geography; it

nomy was wrecked by inflation and America was repeatedly humiliated on the international stage. Unless and until the party leaders acknowledge that reality, and demonstrate that their party nominees have drawn the appropriate lessons from it, voters will be reductant to entrust them

with the presidency again.

The kind of ostrich act they put on in Phoenix is not going to help. The Washington Post.

1888: France and Russia

# 100, 75 AND 50 YEARS AGO

ST. PETERSBURG - The growing dissatisfaction with Germany displayed by public opinion in Russia, and the view taken here that the political acts of the Berlin Cabinet and the atterances of the best German newspapers appear more and more clearly directed against Muscovite interests. are creating so strong a leaning towards France as to constitute even in

the view of governing circles a serious basis for a rapprochement between the two countries. This rapprochement, however, would only take the form of a orecautionary measure.

1913: No U.S. Protest WASHINGTON - William Jennings Bryan gives an unqualified denial to the reports that the State De-

tion. Mr. Bryan said: "Surely in international affairs there ought to exist a patriotic desire to promote friendly relations. These cannot be promoted by the reckless publication of false statements with regard to the acts of Government officials."

1938: A German Threat

BERLIN - In one of the most vio-

1.00

lently-worded editorials to appear in a Nazi newspaper since Adolf Hitler assumed power in 1933, the "Schwarze Korps," organ of the S.S. warned tonight [Nov. 22] that eventually the German Jews would be wiped out by the Nazis "with fire and sword," unless foreign countries solved the problem of getting them out of the country and settled abroad. The newspaper, which speaks for the black-uniformed guards under the command of Heinrich Himmler chief of the police organization of the Reich, thus seeks to shift to the outside world the responsibility for the security of German Jewry.



# **OPINION**

LETTERS TO THE EDITOR

Mr. Kuria has no legitimate claim to

being a "defender of the law." It is with

utmost arrogance that he has arrogated

himself the responsibility to defend the

law and the constitution, which in fact

lies with the representatives of the people. His claims of torture are unfounded.

Kenya, as a lawful nation, does not

torture its prisoners. Mr. Kuria's claims

are explicitly aimed at attracting inter-

national attention. The fact that he was

able to make these unfounded claims

attests to the freedom of expression pre-

vailing in Kenya. In the context in which

the Kenyan system operates, human

himself a lawyer, forgets that a passport

is an official document and that any

government has the right to withdraw or refuse to grant one, whether for him or

Kenya is proud of its reputation as an

economically strong and politically stable

country. We can only regret that Mr. Kuria, a beneficiary of the Kenyan sys-

One Nation, Indivisible ...

Regarding "Socialist Wrote Pledge" (The Hustings, Oct. 19):

The Reverend Francis Bellamy, vice president of the Society of Christian So-

cialists and the generally accepted author

of the Pledge of Allegiance, is, of course,

ROSA ONGESO.

Embassy of Kenya.

It is further surprising that Mr. Kuria,

rights are fully respected.

for members of his family.

tem, has chosen to subvert it.

# Erom Gulag to Manhattan: Strong Men, Still Talking

By A. M. Rosenthal

N EW YORK — Open the door of the bare office on West 30th Street. Across the room a man stands up, moves forward. Walk toward him, shake hands, obrace. Pyou Ruban on West 30th Street! Twenty-two years eating the mean bread of imprisonment in Soviet political ails, finishing one sentence for speaking his mind, arrested again, incarcerated again, exiled, re-arrested and imprisoned, isolated from family and world for more than two decades - and here is Pyotr

### ON MY MIND

Vasilovich Ruban on West 30th Street, smiling walking forward and hugging. Can this be? Later, other men come into the room. You know their names and suffering but not their faces or the way they walk or talk.

Here is Vladimir Davidoff, impris-

oned in the "psychiatric hospitals" prisons where jailers wear white coats, and where drugs are used to give pain, not kill it. Here is Alexei Murzhenko, 21 years of prison.

Over there is Alexander Pavlovich Lavut, sent into eight years of exile, working as a cook on a fishing crew. He is in United States for a few days along with six other dissidents. Andrei Sakharoy insisted they be part of his journey to the United States.

Everybody drinks coffee and smokes. They talk about many of their friends who lived in the cells and some who are still there or in the cold villages of exile. . They ask themselves what will convince them that the movement toward some liberty will endure and not be tied to the fate or will of one man.

They say that the laws must change so that thinking and speaking never become a crime again. And they say there must be moral restitution, the history of the Gulag faced clearly, the guilty called to account. Sometimes it is hard to sort out the talk in the small office of the Center for etimes it is hard to sort out the

# The Larger Prison

T HE existence of the Communist dictatorship depends on the ability of the government to control the peo-ple's lives and minds. Stalin's brilliant idea was to put a good portion of the population on a sort of probation system, without their realizing it —one that would seem attractive and prestigious to its members. His success was astonishing. No prison is more stable or reliable than a self-service one.

The system offers an opportunity to control the lives and minds of millions of people without their realizing it, without any chance of dissent. Many of its inhabitants are cooperative, proud to give their talents to their ruthless rulers, in the be--lief they are serving their country.

- "Victor Orlov," a former KGB officer given U.S. asylum, in The Washington Post.

Democracy, a group of Soviet and American citizens who struggle for Soviet prisoners and other freedom causes. Mostly that is because your own mind is grappling with the stunning fact that these men, so familiar and yet so unknown, are here, not in the Ural and Siberian prison camps, but here in this

very room on West 30th Street. You know it would not have hap-pened without Mikhail Gorbachev's rise. Prisoners were locked up for decades for saying some of the things about tyranny and failure that he now says himself. And all those people in the Soviet Union and the United States who keep the names of the prisoners alive - they helped make it politically embarrassing for the Gorbachev regime to keep the cells full.

But only the prisoners matter, so later, search out Mr. Ruban again, this time at the office of Helsinki Watch. which fights for political prisoners everywhere. This is how heroes look: Natan Sharansky is short and bald. Mr. Sakharov's

shoulders droop. Pyotr Ruban is slight and wirv: his moustache sags. Mr. Ruban is a Ukrainian nationalist. He knows that there were collaborators with the Germans in the move-

ment. He says that those in the Ukraine were shot and that there are few now in America. He demands full Ukrainian political rights and freedoms, but he no longer fights for secession.

He was arrested once for a bungled

obbery to get funds for the movement. But mostly the years of arrest and incarceration were for speaking and writing about brutalities of the Soviet system.

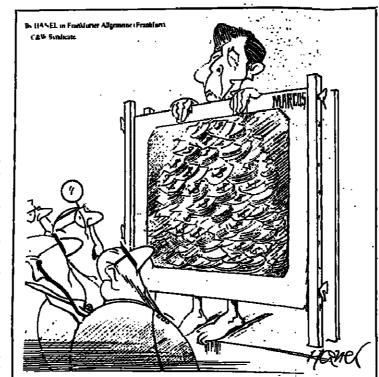
His last indictment, in 1985, condemned him for opposing the Soviet invasion of Afghanistan, praising the Polish Solidarity movement, denounc-ing international terrorism, claiming that Soviet agriculture is in a bad way and promoting nationalist feelings in the Soviet republics. Today it reads like a summary of the news in Pravda. He got nine years in the special hard time and four more in exile.

On May 23, 1988, Mr. Ruban was in the punishment cell of a political prison in the Urals; his 47th day, this time. He was taken to the warden, who told him he was being released and put out his hand. "I do not shake hands with murderers,"

Mr. Ruban says he responded. Seven days later, Mr. Ruban was at a dinner in the U.S. ambassador's residence in Moscow, seated next to Secretary of State George Shultz. On July 13 he arrived in the United States. He spends his time speaking to Ukrai-

nian-American groups and setting up a company to get financial help for private enterprise cooperatives in the Soviet Union. He thinks they are a good way to keep on fighting the system. Pyotr Ruban now lives in the town of Irvington, in the state of New Jersey.

The New York Times.



Jenninger's 'Vile' Speech

In reponse to the report "Speaker Quits Over Kristallnacht Speech" (Nov. 12):

destag during the commemoration of the Kristallnacht was vile, nothing less.

We often read about how the Germans

are tired of being hounded for their Nazi

past and the Holocaust. Mr. Jenninger's

speech seems to show that too many

Germans still have not examined their

souls deeply enough. They and the rest

of the world must never forget this

Irony From the Deputati

Regarding the report "Lawmakers in

Italy Cast Off the Secret Vote" (Oct. 14):

The article on the Italian Chamber of

Deputies casting off the secret vote was well-balanced and informative. But the

deputies shown in the accompanying

picture as applauding the result are

Communists, at the extreme left of the

chamber. Why did they appland? They

were pointing ironically to the fact that

the majority had won by a mere seven votes, not the expected 63. A little more

explanation of the complexities of Ital-

Parliamentary Information Service.

Regarding "Kenya Defender of the

We wish to correct a false impression

Law Tells of Prison Ordeal" (Nov. 17):

STEFANO RIZZO.

given in the news story about the recent- not responsible for the words "under

ian politics would have been helpful.

A Kenyan Response

FORBES PERKINS.

blackest of moments.

Philipp Jenninger's speech in the Bun-

### site is more nearly true. His books now sell around two million copies each year

Nov. 22, 1963, the popularity of C.S. Lewis, known for his apologetic and imaginative works of Christian literature, refuses to wane, Indeed, the oppoin his native Britain and in America six times the number sold during his lifetime. Lewis's most (amous books -"Mere Christianity," "Screwtage Letters," his science fiction trilogy and "Chronicles of Namia" - have gone through scores of printings.

ter of a century after his death on

In its most extreme form, Lewis's continuing popularity verges on hagiography. Nothing rivals the account of the New Testament translator J. B. Phillips, who blandly reported in 1967 that a "rosi-ly radiant" (albeit deceased) Lewis had ted him twice in his home and "spoken a few words which were particularly relevant to the difficult circumstance through which I was passing." But what of the C.S. Lewis aprons, mugs, sweat shirts and tote bags, or the calendar that promises to bless whatever room it hangs in with a quiet sense of peace"?

### ly released detainee Gibson Kamau Ku-God." That phrase was added by a deria. The article was misleading in its title, portraying Mr. Kuria as a "defender of the law," and in its suggestion of a state of constitutional erosion in Kenya. moralized Congress in 1954, frightened by a certain Senator Joseph ("Tail Gun-ner Joe") McCarthy. Remember him?

EDWARD A. O'NEILL.

# Rapids in the Congress

I agree with Cal Thomas's Oct. 19 comment: George Bush must "rechart the river," Thatcher-style. But can he do it without the benefit of a parliamentary form of government? When Prime Minister Thatcher said, "We are a successful party leading a successful nation," she was addressing her party, which controls Parliament.

JAMES R. PHILLIPS.

# On Bush's 'Mandate'

In the aftermath of the U.S. election, Republican Party officials were talking of the mandate given to President-elect George Bush to follow Ronald Reagan's policies. But only 26 percent of eligible

voters cast ballots for Mr. Bush. His only mandate is to rise from the mediocrity that characterized his campaign and his vice presidency, and show courage and conviction in his leadership of the country.

ROGER RATNER. Coppet, Switzerland.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Let-ters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

# By Michael Nelson

C. S. Lewis, Gone but Hardly Forgotten

Lewis himself, it is safe to say, would have been appalled. He made his living as a literary scholar at Oxford and Cambridge. His was a life devoted to simple pleasures: hiking reading and "sitting up till the small hours in someone's college rooms talking nonsense, poetry, theology, metaphysics over beer, tea and pipes." Lewis lived plainly: two-thirds

### MEANWHILE

of his book royalties were earmarked for charities. He never traveled abroad, even when fame brought invitations to lecture from around the world.

Lewis's path to Christianity was clearly his own. What seems to have brought him around was a long conversation with J. R. R. Tolkien and others who persuaded him that Christianity was true precisely because, in addition to being historic, it was mythic. One of humankind's grandest recurring myths - that of the dying god who rises again to save the people -had been fulfilled in Jesus Christ.

Lewis's Christianity was orthodox, not liberal, and supernaturalist, not modern, in contrast to the theological thought of the day, which he dubbed Christianity-and-water." To defend traditional doctrine in a secular age was the mission Lewis defined for himself: "Ever since I became a Christian I have thought that the best, perhaps the only, service I could do for my unbelieving neighbors was to explain and defend the belief that has been common to nearly all Christians at all times."

Lewis's orthodoxy is not to be confused with priggishness or fundamental-ism. His discussion of chastity, for example, begins with a warning not to confuse it with propriety: "A girl in the Pacific islands wearing hardly any

covered in clothes might be equally 'modest,' proper or decent, according to the standards of their own societies."

He concludes by cautioning the reader to maintain a sense of proportion: "The sins of the flesh are bad, but they are the least bad of all sins. All the worst pleasures are purely spiritual: the pleasure of putting other people in the wrong, the

pleasures of power, of harred." More generally, Lewis dismissed (and, with gusto, violated) some Christians' objections to alcohol and tobacco as "ignorant as savages of the historical and theological reading needed to make the Bible more than a superstition."

. It is not at all clear that his writings have brought many skeptics and nonbelievers to the altar. What seems more certain is his value to those who already call themselves Christians, especially mainstream Protestants and Catholics.

The lives of people in the modern church typically have been almost schizophrenic. The sermons they hear and the denominational publications they read are prepared mainly by church leaders trained in liberal academic seminaries, where avant garde theology, radical biblical criticism and social and political relevancy are the reigning gods. These leaders have little to say about sin, resurrection, the afterlife or other traditional doctrines.

But the liturgies of worship and the memories of worshippers are filled with prayers. Scripture and creeds that embody orthodoxy and keep it alive, if uncomprehended, in the minds of the laity. What Lewis did, by shedding light on the historic teachings of the church, was to help Christians to understand what they already realize is important, even if most

The writer teaches political science at Vanderbilt University. He contributed this comment to The New York Times.

# He Had the Power to Transform

N O one who has scriously read C. S. only an expression of taste or opinion?

Lewis's works — from his fairy Perhaps the politicians and those who tales to his Christian apologetics — has come away the same. He challenged the prevailing wisdom of the day, not from some separate subculture but on its own turf, chiefly the universities, First at Oxford and later at Cambridge, students stood in auditoriums filled to capacity

 a rarity at both — to hear his lectures. He was called the greatest teacher of our time in his chosen fields, and the best-read man of his generation, one who read everything and remembered everything he read. As former Senator Eugene McCarthy has written: "Lewis convinces his readers that he is the most reliable guide they have found on the

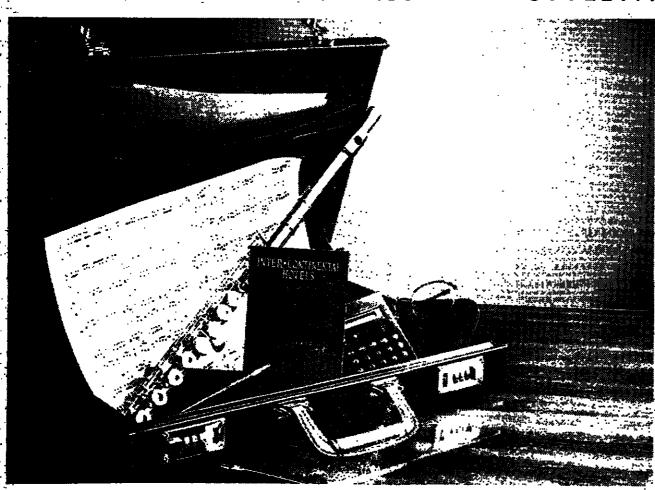
subjects that matter most." And what subjects might those be? How about: Does God exist? Is there a spiritual reality that transcends the ma- much of the junk-food writing of today. terial world which is accessible to our senses? Other than scientific reasoning, is there any intellectually legitimate as these things can be that we shall not means of obtaining knowledge of the see another like him." world we inhabit? Is moral reasoning

trust the political process to save us from social evils might wish to consider this Lewis morsel: "A sick society must think much about politics, as a sick man must think much about his digestion: to ignore the subject may be fatal cowardice for the one as for the other. But if either comes to regard it as the natural food of the mind - if either forgets that we think of such things only in order to be able to think of something else - then what was undertaken for the sake of health has become itself a new and deadly disease."

Lewis's power to transform remains undiminished. Whether the subject is the death penalty, the atomic bomb, marriage, morals, power, or the objective existence of God, he wrote with a clarity that is gourmet fare compared to As the English professor John Law-lor wrote of Lewis, "It is as certain

- Syndicated columnist Cal Thomas.

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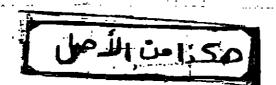
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# Only Halfway to Democracy, **Pakistan Awaits Key Decision**

By Richard M. Weintraub

ISLAMABAD, Pakistan - Pakistanis in recent days have discovered something about themselves: They have the ability to conduct an important national parliamentary campaign, go to the polls peacefully and, for the most part, accept the results.

If Pakistan's history offers any guide, however, the country's latest attempt at establishing a democratic overnment cannot yet be called a success. An election has been held but a government has not been formed.

### **NEWS ANALYSIS**

As political maneuvering continues over who will head the next government, the potential for the process to be derailed remains real.

After elections in 1970, politicians in East Pakistan. which is now Bangladesh, and West Pakistan could not agree on a new government, leading to civil war, the intervention of the Indian Army and the loss of half the country as the eastern wing won

Again, in 1977, there were elections but the results were so widely felt to have been rigged that months of conflict in the streets led to a military coup and a martial-law government that only now is in the process of being fully replaced.

It was to Pakistan's troubled history that Acting President Ghulam Ishaq Khan referred in a televised address to the nation on the eve of last Wednesday's national election, in which the opposition Pakistan People's Party emerged as the largest group in the new National Assembly, although it failed to win a majority.

"Many other nations whose age of independence is

almost like ours have become stable democracies," he said. "But we are lagging behind. Our time has been wasted. We should learn lessons from our past errors." Pakistan has come a long way since August, when President Mohammed Zia ul-Haq was killed in a plane crash and Mr. Ishaq Khan succeeded him under the constitution. Pakistanis did not know for certain until last week whether previously scheduled elections would go forward, or whether the military, which has ruled the country for more than half of its 41-year history, would take control.

So far, the major political, governmental and mili-

tary figures have shown that they have learned the lessons of history. There has been a concerted effort to pull the country out of the political crisis that followed General Zia's death and to forge a successor govern-

ment to a decade of military rule. General Mirza Aslam Beg, the man who succeeded General Zia as army chief, criss-crossed the country telling virtually every major garrison that the army's

role was to see that a civilian government was formed. The judiciary, stifled under martial-law rule, has quickly delivered major decisions on key election ssues. Any of the decisions could have sparked disruption, but all were accepted.

Political leaders, especially Benazir Bhutto of the Pakistan People's Party, have shown restraint at every step, as if they realized that any mistake could ruin the country's last chance to establish a democratic

But now, each of the major figures in the election must answer difficult questions about the key remaining issue: Who will get a chance to form the government? Under the constitution, the president has the power to decide who is chosen.

Miss Bhutto's party, with 92 out of 205 seats, is the front-runner, although it is not clear whether Mr. Ishaq Khan will ask her to form a government. She says she has enough support outside her party to give her a parliamentary majority.

But the progovernment Islamic Democratic Alliance, which won 55 National Assembly seats, also wants to form a government. The failure of Miss Bhutto's party to follow up on Wednesday's showing with a similar effort in Saturday's provincial elections only complicates the process of choosing a prime minister. Thus, the questions for Miss Bhutto: Will she continue to show the political definess that has brought her to the brink of victory? And will she accept Mr. Ishaq Khan's decision on who forms the

The military is said to be having last-minute jitters over a Bhutto-led government. Will it overcome its fear of a political unknown or will it encourage moves

Finally, will Mr. Ishaq Khan make his choice from a neutral perspective or from one that can boost his own reported ambitions to continue as president? Mian Nawaz Sharif, head of the Islamic Democratic Alliance, has promised to back him for the post; Miss Bhutto has indicated she may not.



EARLY WINTER - A Hamburg mailman biking through a storm that slowed down West German motor traffic Tuesday.

# Minister Again Revises Story in Tokyo Scandal

By Susan Chira

New York Times Service TOKYO - Finance Minister iichi Miyazawa, already under fire for his connection to a stock trading scandal, saw his political fortunes worsen Tuesday as he was once again forced to change his account of his involvement.

He was one of at least 150 politicians, businessmen, and bureaucrats courted by a fast-growing ser-vice company that offered them stocks in one of its real estate subsidiaries. The shareholders reaped huge profits after the subsidiary company, Recruit Cosmos, went

Mr. Miyazawa said Tuesday that his former aide was approached directly by a Recruit Cosmos employee. He retracted his earlier statement that a businessman, hearing that the stocks were being offered, approached his aide and asked to buy the stocks in Mr. Miyazawa's name, reasoning that he would have a better chance of getting in on the offer.

Mr. Miyazawa's new account makes its clearer that he, through his aide, was a target of the stock deal. He continued to insist that his aide had acted on his own, and said his aide had only told him the full truth Monday evening, after the former chairman of the parent

company testified before the legislature that the aide had been approached by a Recruit employee.
"I did not mean to hide this fact," Mr. Miyazawa said, "and I

sincerely apologize."
But Mr. Miyazawa's repeated retractions have seriously damaged the credibility of a politician with a reputation for honesty and ambitions to become prime minister. Even his colleagues in the governing Liberal Democratic Party were said by political commenta-

tors to be surprised at the finance

minister's clumsy handling of the Mr. Miyazawa brushed aside calls from opposition politicians Tuesday that he resign. He said he would continue working for the passage of a tax overhaul, which passed the legislature's lower house Wednesday and is now being debated in the upper house. He said

ter Noboru Takeshita. Mr. Takeshita himself has admitted that one of his aides had bought Recruit Cosmos stock, but denied any previous knowledge of

he had apologized to Prime Minis-

Mr. Miyazawa is one of the few subiro Nakasone, the stocks were listed in the name of aides.

prominent politicians to have the uation have noticed a steady series

stock purchases listed in his own of releases of psychiatric prisoners name. In Mr. Takeshita's case, as in who were arrested under the laws that of former Prime Minister Ya- against defaming the Soviet state. New administrative instructions were handed out at medical centers around the country about a year

This year, they announced an experiment to take about 2 million Gorbachev will meet on Dec. 7 in of the 6 million people "registered"

tempts were made to arrest people Party stamp. seek agreement on holding a rights "for giving their opinions — opin-conference in Moscow, while the ions that were later heard from the of a ithree-part series, played on U.S. side is looking for reaffirms- rostrum of the 27th Congress of the familiar themes in the press these Communist Party and the 19th All-Union Conference of the Commu-era of Leonid L Brezhnev, the for-Union Conference of the Commu-

paign that left the country divided over whether the accord would pose a threat to Canadian indepen-

not to raise taxes to deal with the foremost domestic challenge, but he repeated that he would adhere to

He Also Vows to Act Fast on Deficit 🕠 Mr. Salinas has said that Mexihis campaign pledge not to raise taxes to curb the debt. co's obligations in servicing its debt

should be designed to allow continued economic growth. Mr. Salinas also has voiced concern that protectionist trade pressures in the United States could limit Mexico's 'cross-border ex-

ports, accelerating the economic

crisis that has gripped the country

At the heart of Mexico's eco-Before the meeting, Mr. Salinas nomic crisis is its huge foreign debt. said. This is an opportunity to launch a new phase, in which we which has reached \$105 billion, second in the developing world only to will strengthen the ties between our Brazil. Service and interest paytwo countries, marked by respectments on the debt consume more than 40 percent of Mexico's import ful and friendly cooperation and dialogue."

# CANADA: Quick Action on Pact

**Bush Meets Mexico President-Elect;** 

"The American people, in voting

for me, have said in clear terms that

the solution to the federal budget is

Economic issues dominated the

agenda of the Bush-Salinas meet-

ing, but the two leaders also dis-

cussed Central America, narcotics

smuggling and other problems.

not taxes," the president-elect said.

Mr. Salinas was "just a visit to ture would be called back into ses-sion on Dec. 12 to consider the their wish to keep this country trade pact and "a whole series of strong and indepen bilateral problems."

day morning. "It's much more complicated after both of us get Mr. Salinas is to be sworn in on review the full range of U.S.-Cana-dian issues, including acid rain, the Mr. Bush traveled Tuesday to

most contentious issue between the Point Clear, Alabama, where he two countries. Mr. Muhoney pledged to consult his opponents on the free-trade issue, following an election He said his victory was "a genuand then to Houston. The vice presidential entourage traveled on the same Air Force Boeing 707 that carried the body of President John

Mr. Bush said he was unaware that he was using the same plane,

Mr. Mulroney, 49, had told voters that the trade agreement would bring new jobs and economic prosperity. But his two main oppo-pority in the House of Commons for nents, who had pledged to reject the pact to be approved by Canada. the accord, contended that it would eopardize Canada's political independence and threaten the country's social welfare programs, par-and newspaper advertisements and ticularly the universal health urged employees in numerous "in-

eignty of Canada. Although the Mr. Mukoney said the legisla
Conservatives won a plurality of the vote; Mr. Turner said, "a ma-

"Illateral problems."

"Throughout the campaign."

He said that Mr. Bush had invitd him to be said, "I have promoted ed him to meet soon and that he my vision of a strong, independent would like to use the occasion to and sovereign Canada, a Canada in charge of its own destiny. I have no

regrets at all."
In the United States, Mr. Bush said he welcomed Mr. Mulroney's victory, in part because he had, a

next decade, eliminate virtually all hindrances to the flow of trade between Canada and the United States. It has been approved by the U.S. Congress and signed by Presi-

dent Ronald Reagan. Mr. Mulroney had to win a ma-

The Canadian business community, strongly in favor of the agreement, spent heavily on television Mr. Turner had branded the Conservatives. (Reuters, AP, WP)

# Bhutto and Rival Talk to President

ISLAMABAD, Pakistan --- Benazir Bhutto met President Ghulam Lishaq Khan on Tuesday for talks "that could lead to her forming Paki-

' slan's next government, The acting head of state was due - to meet Miss Bhutto's political ri--val, Mian Nawaz Sharif, for talks later in the evening.

The separate meetings were tak-ing place a week after Mrs. Bhutto's opposition Pakistan People's Party achieved a strong showing '-but failed to reach an overall ma-"jority in the first party-based election for 11 years.

The minister of justice and parliamentary affairs. Wasim Sajjad, -said that Mr. Ishaq Khan would "choose a prime minister soon. He

added that Miss Bhutto was a more themselves to her party, adding likely choice because her party would have the largest number among the 237 seats in the National Assembly.

"She has the edge because she has 92 seats," Mr. Sajjad said. The pro-government Islamic Democratic Alliance won 55 seats in the election and the Karachi-

captured 13 with the rest going to dependents and small parties.

Miss Bhutto, daughter of the executed prime minister, Zulfikar Ali Bhutto, said she was confident of becoming prime minister and has warned of "anarchy" if anyone else

independents said to have allied

that her silence hampered what she has called efforts by her rivals to purchase the loyalty of individual members of the assembly.

A number of newspaper commentators on Tuesday urged Mr. Ishaq Khan to decide on a prime minister soon. They said caution had brought about unnecessary behind-the-scenes politicking.

based Muhajir National Movement "Let us stop playing the game of musical chairs and bow down before the collective wisdom of the neople." Ikram Ullah, a columnist. said in the Nation newspaper.

Miss Bhutto and Mr. Sharif, 38, chief minister of Punjab Province, She has declined to name the have both claimed they can form a

# Superpower Leaders **Set Date for Meeting**

The Associated Press WASHINGTON - Mikhail S. Reagan and President-elect George registration lists.
Bush, a U.S. official said Tuesday.

According to 1

Mr. Gorbachev, is expected to tion of Soviet intentions to remove its troops from Afghanistan by

### **SOVIET:** Psychiatrist Describes Systematic Abuses Perhaps most dramatically, the author refers very favorably to An-

prison. The words themselves are quite good. But there's a gulf between what's being said and what's

By Bernard Weinraub

New York Times Service

George Bush met Tuesday with the

incoming president of Mexico, Carlos Salinas de Gortari, in an

effort to smooth the troubled and

delicate U.S.-Mexican relationship.

the president-elect announced that

on the "first day" of his presidency, Jan. 20, he would name negotiators

to represent the executive branch in deficit talks with Congress.

'hands-on' in dealing with mem-

bers of Congress on both sides of

Mr. Bush also said he would

meet next week with Bob Dole, the

Senate Republican leader who had

challenged him for the Republican

presidential nomination, "for some

honest talk on how to cut the defi-

manifest the importance" that he

placed in U.S.-Mexican relations.

"It's a good time to do it," Mr. Bush said aboard his plane Tues-

addressed Republican governors,

F. Kennedy and the newly sworn-

in president, Lyndon B. Johnson, back from Dallas 25 years ago.

In Alabama, Mr. Bush told the

Republican governors that he re-

ceived a mandate from the voters

Mr. Bush made it plain that he

viewed the issue of federal budget deficit reductions as, perhaps, his

which was built in 1962.

federal budget deficit.

Mr. Bush said his meeting with

"I, too," Mr. Bush said, "will be

Mr. Bush met with Mr. Salinas as

HOUSTON - President-elect

Westerners familiar with the sit-

ago tightening the criteria for invol-untary commitment of patients and suggesting a more liberal attitude toward releases from psychiatric

atoli Koryagin, a Kharkov psychiatrist who served years in prison after he refused to issue a diagnosis saying a labor union activist and other dissidents were madmen and began sending reports of psychiat-

ric abuses to the West. By juxtaposing Mr. Koryagin's deeds with those of an Estonian psychiatrist who refused to give the Nazis lists of the insane during World War II, Mr. Buyanov clearly implied that Mr. Korvagin's actions showed similar courage.

The article's startling content was muted to some extent by its authorship and its forum. Mr. Buyanov plays no role in the official Soviet psychiatric hierarchy, and Uchitelskaya Gazeta, although tional audience, carries no authori-According to Mr. Buyanov, at- tative governmental or Communist

mer Soviet leader.

"Didn't psychiatry become a victim of the same circumstances that brought our country to the brink?" Mr. Buyanov asked in his article.

Earlier statements by officials in the Soviet psychiatric profession have admitted no more than occasional random errors in commitment by poorly trained or weakwilled local doctors. The leading defenders of the practices of the 1970s still hold prominent posts.

Citing the case of Zhores Medvedev, a biologist who was forcibly committed to a mental institution for more than a month in 1970 after writing articles debunking the pseudobiological theories of Tro-fim D. Lysenko, Mr. Buyanov said the Medvedev case "opened a new chapter in the history of Soviet psy-

"True, people were placed in mental hospitals for political rather than medical reasons before," Mr. Buyanov said, "but after 1970 this

was done more often." "We erred." he said. "We erred consciously. It's necessary to recognize this."

# PARLIAMENT: MI5 to Have a Charter, Queen Elizabeth Announces

# (Continued from Page 1)

Britain is a separate organization called MI6, which operates abroad under the aegis of the secretary of

The government has no plans to give that even a statutory basis, and none to put either security service under parliamentary oversight, according to officials.

Home Office.

state for Foreign and Common-wealth Affairs, Sir Geoffrey Howe.

The government has no plans to that water supplies and sewer serthat water supplies and sewer ser
that water supplies and sewer services could be provided more effi- sion are proposals to strengthen ciently by the private sector.

der parliamentary oversight, ac-rding to officials.

ing water conform to European Northern Ireland and to require candidates for political office there expected to cost as much as \$10 to make pledges denouncing terrorthe oversight is by the home secre- billion, and the Water Authorities ism.

VIENNA EVELYN Jens Escert Service, 37 56 70

are answerable to Parliament," said erage household water bill might Peter Rose, a spokesman for the have to rise to \$350 a year by then. The government is also committed The plans to sell the 10 water to going ahead with plans to reauthorities in England and Wales structure and sell British electric

fair employment laws for Roman The need to make British drink- Catholics in heavily Protestant

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ward to the visit next month of the Soviet leader, Mikhail S. Gorbachev, but did not mention the controversy in the British newspapers over whether she would make a

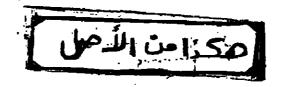
return visit to the Soviet Union if Mr. Gorbachev were to invite her. Mrs. Thatcher's office made it clear over the weekend that she would oppose a royal visit to Moscow as a propaganda coup for the & Russians. Under the constitution, the government would have to tell the queen what to reply to any invitation Mr. Gorbachev might

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### The queen said she looked fortary and the prime minister, who Association estimated that the avmake when he sees her on Dec. 13. **ESCORTS & GUIDES** INTERNATIONAL CLASSIFIED **ESCORTS & GUIDES** nkfurt Lovely Excert Service 49740) (Continued from Back Page) INTERNATIONAL **ESCORT** ESCORTS & GUIDES **ESCORTS & GUIDES ESCORTS & GUIDES** SERVICE CONNOISSEUR CLUB London Excert Service. Tek 07-374-2529 8. 07-281 0992 TOKYO \*\*\* TOP ESCORT SERVICE Major cradit cards accepted. Tek [03] Head office in New York 330 W 56 St NYC 10019 REGENCY WORLDGLASS ESCORT SERVICE \*ZURICH \*CAROLINE\* SCORT SERVICE, 01 /252 61 74 Service. Number One. Tel 20-327799 or [0] 20-362833. ITTI LONDON 212-765-7896 LONDON 0836274462 NEW YORK 212-838-9027 212-765-7754 MAJOR CREDIT CARDS AND CHECKS ACCEPTED BELLA ESCORT SERVICE Central Landon, Heathrow, Credit control complete Int 01-381 5642 LONDON-PARES Colutte French VP Escort Service, TelLandon (01) 580 5022 ZURICH SUSAN ESCORT SERVICE, TEL: 01/44 24 73 LONDON MILAN EXCLUSIVE +++++++ Multilingual Except Service. Tel. (39-2) BELGRAVIA 867 479. LONDON Escort Service. Tel: 736 SE77 ORSTICATS INT. ESCORTS \* \* Z U R I C H \* \* p Escort Service. Tel: 01/41 76 09 Portation Escort Agency 67 Children Street Landon's Premier Agency Tel: 01 486 6205 \* R I K K I - S W E D I S H \* HIGH CLASS ESCORT SERVK Telephone - 589 8015 LONDON London W/I Tal. 486 3724 or 486 1159 All sector credit conductors MAYFAIR CLUB ESCORT SERVICE from 5pm ROTTERDAM (0)10-4254155 Lendon Intil excert agency for Japane & Orientals. Major credit cords o past areas. Tel: 370 5957/603 7194 LONDON 21' ESCORT Service International Selection, 2 pm - 2 cm. Telephone 01-765 5210, 7 days. CAR188EAN ESCORT SRRYICE Landon. Credit cards compled. Telephone: 0536 770892 LONDON CONDON COPACABANA ESCORT Service. Open seven days a week. Iclephone: 01 706 1973. KENSINGTON ESCORT SERVICE 10A Keepington Church St. W8 11B: 937 9136 or 937 9135 All major credit carcle compiled. CAPRICE-NYC UESSELDORF - KOELM - ESSEN -Born - Krylold - Dusbyrg + orac and Brussels. Conry's Except + Travel Ser-vice. Credit cand. (2211/34 (10 B). ESCORT SERVICE EN NEW YORK TEL: 212-737 3291 High Close Export Service. Tel. (02) 734-1586. URICH."A.A.A" ESCORT SERVICE Tel: Zurich 251 08 92 MADRED IMPACT ESCORT and Guide Service. Multilogual. Visc. Open 1 km - midnight. Tet. 261 4142 PRESTIGE NEW YORK ESCORT SERVICE (212) 688-2512 MSTEDDAM JASMEN Exert Serv Tel: 020-33003. The best in to Credit cores compled. MSTEDDAM 2000 Securi Serv All credit cores compled. Teleph Jacobs cores cores compled. Teleph (9: 20 - 971000 or 06 - 52730972 MERCEDES ARIS CONNECTION : Lovely Spoot Service, Tels 01-931 7795 London COLDEN GRELS SOLDEN GRUS Leaden's Newsde Escort Agency, Tel. 0836 710806, 7 days a week. HAMBURG Escort Service GENEVA \* MELODIE \* ESCORT SERVICE. Tel: 022/461158 MULTIUNGUAL GUIDE AGENCY TEL TOKYO 58-646-74 First Class Escont / Guide Service, Tel. [03] 351-2078 CHRISTA ESCORT SERVICE 11 Beauthorap Place, London SW3. Tak 01-584 6513/7749 (4-12pm) FRANKFURT TOP TENT ESCORT SERVICE TEL 069/53-68-26. THE BEST IN TOWN. "GONES ADNIT ESCORT " CON JUNE SERVICE Tel: Genevo; (22) 35 (8) 23. **ARISTOCATS**

ONDON LOVELY MODEL



# **Bringing Back Monk**

By Mike Zwenn

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DARIS — Thelonious Sphere Monk was born in Rocky Mount, North Carolina, in either 1917 or 1920, depending on your source. It's his real name. Miles Davis once said anybody with a name like that did not have to do anything else to make it. Monk,

however, lived up to his name. The current Monk revival can be traced back to Bertrand Tavernier's film "Round Midnight," which took its title from and featured Monk's most famous song. Riverside Records' reissue package of 15 compact discs won two Grammies this year and Peter Keepnews, son of Orrin, Riverside's founder, is working on a Monk biography. Yves Buin's French biography of the composer and pianist who was once named the high priest of bop, was published this month (Collection Birdland). A documentary about his life named for another Monk tune, "Straight, No Chaser" (Clint Eastwood, executive producer), will have its premiere at the London Film Festival Nov. 26, and a new British jazz magazine has given itself the same name.

He grew up on West 63d Street, in what was then a slum called San Juan Hill and is now a piece of choice real estate near Lincoln Center. As a teen-ager Monk listened to the master stride pianist James P. Johnson, who lived in the neighborhood. Enbie Blake's musical "Shuffle Along" opened in a San Juan Hill theater. After touring as a pianist with a gospel group at the age of 17, Monk was hired by the veteran saxophone star Coleman Hawkins for his first record date ("On the Bean").

In the mid '40s he became house pianist at Minton's Playhouse. where and when beloop was born, in Harlem. His unpredictable accents, sparse harmonies and angular melodies were essential elements in the foundation of this music which he referred to as modern music." But during bebop's first decade, his reputation for weird behavior — which was not as weird as it appeared; he was usually on time, for example — his taking of extreme musical risks at all times and his eccentric, difficult-to-learn compositions kept him in relative obscurity.

He told the French journalists Jean Clouzet and Michel Delorme: "I always knew that most of the ideas were my own. Dizzy [Gillespie] and Bird [Charlie Parker] didn't teach me anything, They didn't show me one chord, one

(1963), Monk was beginning to show symptoms of the schizophrenia that would lead to ever weirder behavior and sudden, final, unexplained retirement in 1975. He died of a cerebral hemorrhage in 1982. (He was not a drug addict.)

Appearing on the cover of Time magazine in the early 1960s broke him into the mainstream. Time's first choice had been Miles Davis but Davis, then no superstar, asked for a \$10,000 fee. When his press agent tried to convince him of the importance of a Time cover ("You should pay them \$10,000"), Davis told him just what Time could do with its cover — which is one reason he has become a legend in his own time - and the cover went to Monk.

During an extended engagement

at the Five Spot Cafe, he hired an interesting young beloop tenorman named John Coltrane, who, it can be argued, rose to Giant status un-der Monk's tutelage (though Miles Davis generally gets the credit). They both wore suits and ties to work, even though a beer cost only a dollar, there was no cover charge and the joint was on the Bowery. Strolling is the art of not comping (accompanying) — knowing when not to play (laying out) and where to start again. "You can get a totally different sound and construction by forcing the soloist to rely on only bass and drums."

Monk explained to an interviewer.

He was always omitting the obvi-

my ideas." It should be mentioned that by the time of this interview chords and leaving plenty of space (1963), Monk was beginning to between them. (His voicing makes you think of Erik Satie.) Most jazz pianists use 10 fingers just because they are there - and they are afraid strolling may imply lack of ideas. Monk danced while strolling. twirled around the bandstand ("If anybody else did this they'd put him in a straitiacket," he once remarked). Watching Monk twirl while strolling in the Five Spot, one marveled at how he could transmit so much energy to Coltrane, who was soloing with his eyes closed.

Sonny Rollins called Monk his guru." One of the secrets he learned was humor, an all too rare element in jazz. When Monk banged out a two-octave all-blacknote "chord" with his forearm or suddenly broke into some authentic old-time stride left hand amidst the bebop (he comes in a direct line from Jelly Roll Morton and Duke Ellington), he was putting on both past and present. Those who didn't smile called him "weird."

During Monk's debut on network television, the producers seated Count Basie by the piano. Basie was filmed smiling with apparent approval of Monk's unorthodox hnique. In the Eastwood film, Monk's manager, Harry Colomby, tells what followed: "He said that Basie kept looking at him while he was playing . . . That somehow bothered Monk And he said 'You know, the next time he plays I am



Monk: "I always knew that most of the ideas were my own."

# Shaffer Makes a Case For Rethinking a Hit

By Sheridan Morley

national Heruld Tribune ONDON - More has changed at the Globe Theatre than just the casting of Peter Shaffer's "Lettice and Lovage," as Maggie Smith and Margaret Tyzack move with it onto Broadway, leaving Geraldine McEwan and Sara Kestelman to head the London cast. The play itself has been rethought considerably, so that we now get a third act in which the leading players, in-stead of setting off with a cannon to demolish the most appalling examples of modern City architec-ture, a plan that would doubtless meet with the royal assent of Prince Charles himself, are merely content to organize guided tours of the 50 worst eyesores in London.

Whether Shaffer, whose play has ust won Comedy of the Year in the Standard awards, reckons that now that Prince Charles has rallied to the cause of conservative architecture he can afford to modify his rage against it, or whether he just fancied a new third act is unclear, but there is a lot to be said for playwrights rethinking long-run-ning hits: If only Agatha Christie were still alive to do something about her appalling "Mousetrap" after 36 years and 15,000 perfor-

Geraldine McEwan and Sara

inclined to meet on common ground earlier in an evening that is still all about the nature of heritage, and the need to reassert the supremacy of a romantic historical past over a latter-day urban and spiritual blight.

award, "Lettice and Lovage" is still

THE LONDON STAGE

Shaffer, but it does contain a comic variant on the argument that ran through his "Amadeus," "Equus" and "Royal Hunt of the Sun" about the alignment of apparent cerebral and spiritual opposites, and Michael Blakemore's production remains immensely adroit.

Talking of "The Mousetrap," there is still a dearth of decent London stage thrillers, though addicts of the genre might like to note that a new Francis Durbridge has almost unnoticed into the Whitehall. "A Touch of Danger" is again nonvintage, but we are safely bridge territory: upper middleclass ladies and gentlemen having nasty and violent things done to York original), it is difficult to care them within the confines of their deeply about a play that seems them within the confines of their

own Home Counties. works his own narrow plot of snobbery with violence: No thrillerwriter outside of Agatha Christie and Edgar Wallace has ever had more West End hits, but his do not depend on a special dexterity with dialogue or character. His radio and television background, starting from the late 1930s, still causes him to write in short sharp episodes of about 20 minutes, at the end of each of which it is a sure bet that somebody either gets shot, or discovered in the wrong room, or at the very least in the wrong photo-

Kestelman are also a very different the last possible moment, and vilpartnership from the original lains can usually be detected by a Smith-Tyzack odd couple. Both are nasty habit of wearing shirts withgentler in their eccentricities, more out ties, or working as golf profes-inclined to meet on common sionals. But Durbridge plays by the book: There are no sudden or unguessable twists, clues are neatly aid in Act 1 to be harvested in Act 2, and though there may be references to foreign habits like poisoned Bulgarian umbrellas, the im-Despite its endurance and plication is that no properly educated Englishman would lean some way from being vintage on something like that, even for

> Out at the admirable Orange Tree in Richmond, Sam Walters offers a belated English premiere to Israel Horovitz's "Line," which has been running for something like 14 years off-Broadway, and another dozen or so in France. Quite how is hard to fathom, unless we now spend so much of our lives waiting in lines that we wish to know more about their psychology.

Horovitz sets up five readily identifiable stock characters in 'Line," and then puts them through a series of physical and psychological power games in or-der to establish, over 80 no-interval minutes, who deserves to be at the within the limits of the usual Dur- head of the queue. But despite an agile production from James Hammerstein (who directed the New rooted in the long-lost '60s of "Zoo What makes Durbridge remark- Story" and Ionesco, let alone about able is the way he constantly re- one-dimensional characters engaged in territorial bickering as they line up for we know not what. Maybe the chance to meet a better

In one performance only, at the Playhouse on Sunday for an AIDS charity benefit, Michael Feinstein brought to London the solo show that has recently been selling out on Broadway, and which he promises to bring back to London for a season next summer. On the Playhouse evidence, it will be one of the triumphs of 1989 in the West End: Feinstein still knows a fine way to Durbridge's people seldom re-move their jackets or ties, and seem has changed and strengthened to have remarkably little interest in drastically since he set out a decade the complexities of Cold War espiago as the archivist of Ira Gershwin onage or the intellectual power with a repertoire largely devoted to games played on audiences by the likes of Tony Shaffer or Ira Levin. Gershwins but Coward and Berlin If they are found dead it is usual- and Porter and Sondheim across a ly at desks or on sofas, and by two-hour evening of immense aspolicemen who are almost certainly surance and charm in sheer celenot what they seem; guns are al-most always kept in briefcases until ages.

# U.S. Film Studios Go After Markets Lost to Piracy

By Andrea Adelson

New York Tunes Service T OS ANGELES - Some makers of Amer-L ican movies and television programs are taking on unusual roles in an effort to reclaim foreign markets lost to piracy.

In South Korea, one studio is trying to reduce piracy by encouraging local filmmakers to press for stricter copyright enforcement; in return, the studio is offering the local film industry financial backing for new

In the Soviet Union, an American studio is urges the Soviet government to extend copy-

In Japan, American studio executives have been assigned to seek out and investigate illegal copies of films and videos. The studios' moves arise from the fact that

government intervention in piracy in those nations and others has had limited success. Even as domestic producers of films and lick. . . They were considered the videos are increasingly relying on revenue treators of modern jazz while really from foreign business, an estimated 66 counmost of the time they were just using tries lack adequate protection for "intellectu-

cassettes, television shows and products

based on film characters. The Motion Picture Association of America estimates that its members, the nine biggest studios, are losing \$1.2 billion a year to foreign pirates.

"The most precious possession we have is copyright," said Jack Valenti, president of the association. "If we can't protect what we own, we don't own anything."

The American producers, who had \$2.7 billion in foreign billings last year, create one whetting consumers' appetite for American of the few exports that run a consistent entertainment by holding film festivals, as it surplus.

In an era of record trade deficits, Hollywood's battle to protect its products and profits abroad has gained allies in Washington. Copyright standardization will be on the agenda at a meeting next month of the General Agreement on Tariffs and Trade, the Geneva-based organization that polices

Since 1985, U.S. officials have successfully pressed many foreign nations to adopt new

al property," which includes films, video countries resist granting copyright protec-cassettes, television shows and products tions because it would be a blow to local filmmaking. Even when protections are granted, success is not guaranteed. A showing of the American film "Fatal Attraction" in Seoul was sabotaged when snakes were

released among viewers. Faced with such resistance in South Ko-rea, MCA Inc., parent of Universal Pictures, is pursuing an innovative approach. To curtail video piracy, as well as lessen the reluctance to distribute American movies, MCA is turning to Korean filmmakers for help.

South Korea is becoming one of Asia's wealthiest markets, yet more than 11 million Seoul residents are served by only 34 theaters. MCA has therefore set up an office in Seoul to look for theater outlets. By providing financing for more theaters, and creating more sites for Korean productions, MCA hopes to give local competitors an incentive to combat unlicensed copying.

Film and television executives say they are winning back some stolen markets, particularly in Europe. Television and film producers in Britain, Spain and West Germany duty as investigators who turn over evidence or tougher laws on illicit copying, sometimes ers in Britain, Spain and West Germany duty as investigators who turn over under threat of trade sanctions. But some helped secure revisions in copyright laws on video bootleggers to the police.

pirates.

However, recently adopted bilateral agreements in South Korea and Taiwan are being undermined by a lack of enforcement. And the vast audience potential of China and the Soviet Union remains virtually untapped, at least partly because of a lack of copyright

Recently, Disney took its case to the Ministry of Foreign Economic Relations. While in Moscow, Shapiro was disturbed that people were being charged to have their photographs taken with a pirated Mickey Mouse. The Soviets began to bend on intellectual

property last month, giving American moviemakers copyright protection and more ac-cess to the Soviet market. The moviemakers' biggest success has

been in Japan, where video revenue totaled \$649 million last year, Hollywood's secondlargest market. The moviemakers' campaign stressed reciprocal protection for Japan's innovations and pressed American film executives into

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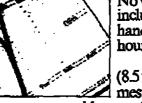
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# Arafat Says He'll Get a Visa; U.S. Denies Any Agreement

By Alan Cowell

New York Times Server CAIRO - The Palestine Liberaion Organization leader, Yasser Arafat, said Tuesday that he had been told the United States would trant him a visa to allow him to ddress the United Nations Gener-

Assembly.
The U.S. Embassy in Cairo said t had no knowledge of the develop-

[The UN submitted a visa appliation for Mr. Arafat to U.S. auhorities on Monday, Reuters reported Tuesday, quoting a senior UN official. The UN also relayed visa applications for a number of tides to the PLO chairman, the official said.

The United States denied Tuesflay that it had decided to grant Mr. Arafat a visa. The State Department spokesman, Charles E. Red-man, also disputed reports that Washington had signaled to Egypt that approval of a visa would be approved. He insisted that no decion could be made until Mr. Arafat made a formal application.] A UN appearance would be Mr. Arafat's first before the assembly tince 1974, when, with an empty

choice between "the gun and the olive branch." Both Assam Abu Sherif, a senior PLO political adviser, and Mr. Arafat said that President Hosni Mubarak of Egypt had told the PLO leader a visa had been granted 30 him to travel to New York.

polster on his hip, he offered a

The precise date of any Arafat visit was unclear. November 29 is designated by the United Nations as a day marking Palestinian nationalism, but, Mr. Abu Sherif said, at was not certain that the PLO er would speak that day. Other Palestinian officials said the visa had been granted for Dec. 6 and 7. Mr. Arafat arrived in Cairo on Monday from Baghdad after Egypt's recognition over the week-

clared by the PLO on Nov. 15. The declaration is one part of a new PLO policy, described as moderate, designed to draw the United States, the Soviet Union and other

end of an independent state as de-

The symbolic state was proclaimed at a meeting in Algiers of the Palestine National Council which the PLO considers to be its parliament-in-exile. The PNC ofofficials cast as an implicit recognition of Israel

Possibly foreshadowing an address by Mr. Arafat at the United Nations, Mr. Abu Sherif said the Algiers decisions showed that "the Palestinians are really serious and committed to the political line and are ready to negotiate a political settlement in order to establish a just and lasting peace in the Middle

Since the Algiers meeting, Mr. Arafat has visited Morocco and Baghdad as well as Egypt.

Egyptian officials said be planned to go on to Jordan. His intention, they said, was to secure a consensus of support among those Arab nations whose foreign policy places them in what has become known as a moderate camp, as opposed to the hard-line Arab coun-

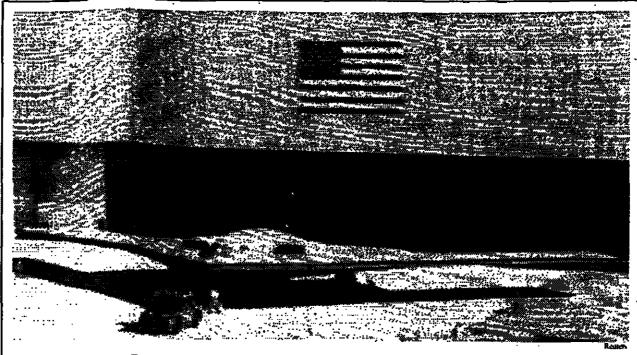
Mr. Arafat's arrival in Cairo was delayed by Egypt's initial hesitancy in recognizing the Palestinian state. The symbolic state includes those areas where a Palestinian revolt fered for the first time what PLO against Israeli occupation has been under way for almost one a year.

Addressing a Palestinian gathering in Cairo on Tuesday, Mr. Arafat declared, "The uprising will continue wave after wave until we hoist the Palestinian flag over Jerusalem." The Algiers gathering designated Jerusalem as capital of the proclaimed state.

■ Support From France
President François Mitterand

of France says that resolutions adopted by the Palestinian National Council in Algiers last week mark the emergence of a Palestinian nation in the eyes of the world, Reuters reported from Paris.

In an interview with the leftist daily Liberation, made public ahead of its publication on Wednesday, he said that France had "no problems in principle over the recognition of a Palestinian



# U.S. Unveils Stealth Bomber

Plant-42 on Tuesday at Palmdale, California, in its first public showing. The event partially drew aside a veil of secrecy that has covered the high-technology, flying-wing aircraft, designed to penetrate enemy radar defense and

The B-2 Stealth bomber rolling out of a hangar at Air Force drop nuclear bombs. But spectators and television cameras were kept at a distance of 200 feet. No views were given of the rear of the aircraft and little could be seen of its underside. It has no sharp angles to reflect radar and is built of exotic composite materials, some of which absorb radar.

# In Closed West Bank Schools, the Sound of Silence Is Painful

By Glenn Frankel

RAMALLAH, Israeli-Occupied West Bank — The main thing that bothers him when he walks his empty hallways, said the Lutheran School headmaster, Abdullah Rishmawi, is the silence.

There used to be a lovely noise here every school day," he recalled recently on the deserted grounds of the private school with nearly 500 pupils, ranging from kindergarten to 12th grade. "Now it is dead quiet. I mean, for God's sake, this is a school. Here are desks, chairs, blackboards. But where are the children?"

Throughout the 1,194 schools of the Israeli-occupied West Bank that teach Palestinians - elementary and secondary, high schools, colleges and universities
— there is only silence these days. Beginning with an
Israeli military order in February, the institutions have been closed for at least eight of the last 10 months, hostages in the nearly yearlong conflict between Palestinian nationalists and Israel's Army.

Last year's academic term never ended and this

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remain in limbo. Schoolmasters such as Mr. Rishmawi fear this may stunt an entire generation of West

garbage on the streets."

Army officials say the schools are closed because they had become centers of violent disturbances during the 11-month Arab uprising in the West Bank in which 310 Palestinians and 11 Israelis have been killed. When the violence stops, the schools will re-

On Sunday, a spokesman for the West Bank's civil administration said that primary schools would be allowed to reopen on Dec. I, followed by junior and senior high schools. Universities, however, will remain

But Palestinian educators and local residents have

lence, and he has extended the order several times ing the assignments.

Many schools have been closed for far longer because they are situated in refugee camps or towns and villages that have been subjected to prolonged military curfews. Bethlehem University has been closed since violent disturbances on Oct. 29, 1987, and the West Bank's four other major universities have been shut

The army also has cracked down on organized attempts at alternative or home study, contending these have often been organized by local "popular committees" that have been outlawed for allegedly seeking to incite civil unrest and further the goals of ian independence.

In the West Bank city of Nablus two months ago, the Army closed the Society of Friends of An Najah University after high school classes in physics, chemistry and English were held in its offices. Last month, Mr. Mahshi was called into Ramallah's

military commander of the West Bank, reopened them military headquarters after he began distributing in phases beginning May 23. But by July 21, he had ordered all of them closed again, citing renewed vio-school. He said be had been ordered to stop distributions.

"I had assumed that the Israelis were not against learning but were simply attempting to prohibit gatherings and disturbances," he said. "But they said there was another reason as well. They said the object is to get life back to normal and they have to use this pressure for parents to understand what they are missing. They said that by helping these parents, I was hindering their efforts to get life back to normal."

Mr. Mahshi said he pleaded with the authorities to allow schools to reopen at least for the estimated 30,000 West Bank youngsters who are waiting to enter first grade and who clearly pose no security threat to Israel. So far, the answer has been no.

"Already we have had a 5-year-old shot dead in Nablus and a 3-year-old in Gaza," said a senior military official. "We are afraid that if we open the pens, they will get hurt.

"The message to the parents is that we plan to open the schools, but we want them to be quiet schools."

# **ISRAEL:** Talks Collapse

(Continued from Page 1) in Prime Minister Yitzhak Shamir's office said they did not think the decision was final.

Moshe Nissim, Likud's minister! of finance, said, "I heard the news." but I don't think it's the end. That's the way of negotiations." And a! senior Labor Party official quoted: Defense Minister Yitzhak Rabin, one of Labor's top leaders and a proponent of a renewed coalition. government, as saying, "They know what our phone number is."

Likud invited Labor to coalition talks last week, even though Mr. Shamir already has enough infor-, mal commitments from the right-. ists and religious parties to form at narrow government without Labor. Advisers to Mr. Shamir said he was. nervous about forming a government whose success depended on, the participation of the four religious parties, whose 18 seats in parliament would give Likud the par-.

hamentary majority it needs.
In exchange for their support, the religious parties extracted extravagant promises from Likud, and an official in the prime minister's office said they were airaid that "every time one of the rabbis" comes up with a new demand, we'll, have to meet it or risk a no-confidence vote" in parliament and potential dissolution of the govern-

Beyond that, officials in the prime minister's office are making. no effort to hide their concern about the fury among American Jews over Mr. Shamir's promise to: the religious parties that he would ensure passage of an amendment changing the definition of who is Jewish.

The amendment would change Israel's Law of Return so that people who converted to Judaism under the guidance of a Reform or Conservative rabbi would not be eligible for automatic Israeli citizenship. A least 90 percent of America's 5.8 million Jews are believed to be Reform or Conserva

A group of prominent American Jewish leaders met with both Mr. Shamir and Mr. Peres on Tuesday and an Israeli official who attended one of the meetings said, "They presented a very powerful case that the anger over this is unlike any!

# MESSAGE

# SPOTLIGHT

Hervé de la Debutrie, managing director of Kaufman & Broad in Paris, discussed some of the trends in the commercial real estate market in France.

How are market conditions in the Paris region right now?

Because residential housing prices are skyrocketing, the market for individual homes in the suburbs is excellent and office construction is booming, especially for choice locations. For example, the Atlantique Montparnasse project (72,000 m²) is still under construction yet already completely sold out.

What trends do you see in the market? A significant increase in foreign activity. For example, last year, we sold 100,000 m² to Japanese investors. More and more companies are choosing the Paris region to locate because of its central location, yet 1992 should not greatly affect the market for individual homes.

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"There are certain critical periods in a child's life where you begin to learn skills such as reading and writing," said Khalil Mahshi, headmaster at the Friends' Boys School in Ramallah. "I don't want to see our kids going back to illiteracy and playing with

open, officials say.

year's has yet to begin. Meanwhile, 300,000 school-age heard such promises before. After ordering all schools children and 18,000 college and university students closed on Feb. 3, Major General Amram Mitzna,

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# ITALY New Economic Challenges



# Public Sector: Deficit Cuts And Fiscal Inequities

Ciriaco de Mita, the Italian Christian Democrat party's prime minister, and his Socialist treasury minister, Giuliano Amato, can congratulate themselves if, for once, they get Parliament to approve the annual finance bill on schedule by the end of the year. It is an important bill, designed to cut the budget deficit by 30 trillion lire (\$23 billion).

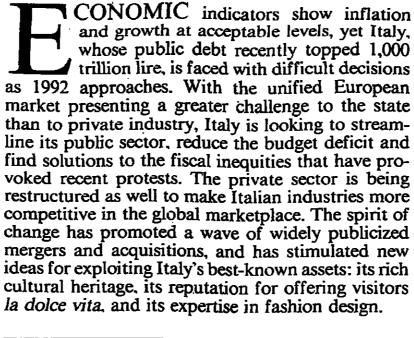
With luck the government will avoid this past year's experience when the bill only became law in March and the year started under temporary financing stringencies. Nevertheless, the deficit will still represent 10.2 percent of gross domestic product, and Italy will remain the most spendthrift of major Western industrialized nations.

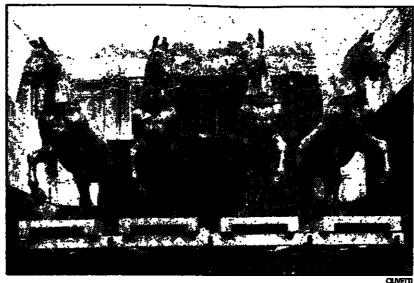
No bold reforming design lies behind the bill. It would in any case be difficult to get approval for any radical measures in a five-party cab-

inet that also includes Republicans, Social Democrats and Liberals. Rather, the government has been pinching and scraping to produce a cheeseparing hodgepodge of 13 ancillary bills wrapped round the main finance bill.

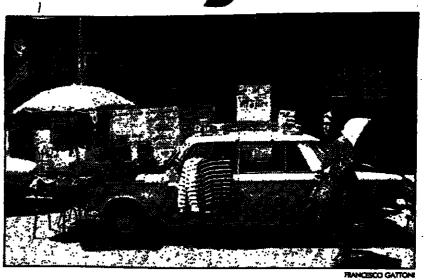
Among the more important measures, expenditures on social welfare and health services are being trimmed. Tinkering with direct and indirect taxes will bring certain mi-

See Public Sector page 13





Union-organized demonstration in Rome against unfair tax practices (November 12, 1988) (left). "The Horses of San Marco," restored and presented as a touring exhibit by Olivetti (above). From the open market to the integrated market: business on the move (right).



# Private Sector Battles the Odds at Home and Abroad

Italian business people are fond of saying that their 1992 has already arrived. Indeed a newspaper and television advertising campaign by a new merchant bank proudly declares it. It is true that Italy's private sector has had plenty of practice in battling against the odds, albeit with an adversary slightly closer to home: Italy's horrifyingly inefficient state sector.

"The state sector has been the most important factor of all in undermining the success of the private sector," explains Carlo Patrucco, vice president at Confindustria, the Italian employers' federation, "and for two very different reasons: both because of the budget deficit, which has driven up the rate of interest, and because of the terrible mess of public administration. How can Italy maintain its competitiveness on such terms?"

Nevertheless, with the driving

the Italian economy is one of the fastest growing in Europe, with most estimates forecasting that its 3.5 percent GDP will hold up till 1990 at least. Industrial output has risen on average by 5.5 percent over 1988, and is forecast to level off at around 3 percent. An investment boom has left Italy with one of the newest capital stocks in Europe. Notes Mr. Patrucco: "Over the past year, private industry has invested a lot of money in new plants and

See Private Sector page 11

# Girding up for 1992: Mergers and Acquisitions

While names like De Benedetti, Gardini, Pirelli and Generali make international news with their forays, the so-called merger mania has also spread to second-tier, domestic firms eager to achieve a strategic niche as the European Community approaches the integrated market of 1992.

A recent study by the Bolognabased Nomisma research firm shows that 44 percent of the 1,355 takeovers involving Italian companies between 1983 and the first half of 1988 took place during the last 18 months. In the same period foreign acquisitions by Italian firms jumped from 7.4 percent to 13.3 percent of the total. "Most of the individual takeovers occurred in the same sector, and thus were linked to industrial rather than financial motives," notes Giuseppina Gaultieri, who directed the study.

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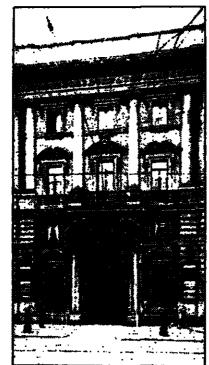
This burst of activity is a result of the Italian economy's turnaround during the 1980s. Today, the country boasts a gross national product on a par with that of the United Kingdom, its inflation rate has dropped to 5 percent from a whopping 20 percent in 1980, and its financial markets have gained a considerable degree of sophistication, while the process of industrial consolidation has emerged as a top pri-

One year ago Ferruzzi president Raul Gardini created Italy's second largest private-sector conglomerate with his takeover of chemical concern Montedison SpA. Now, as part of an ambitious restructuring plan, Mr. Gardini has agreed to merge several Montedison units with state-controlled Enichem SpA. The joint venture, dubbed Enimont, will be closely watched as a test case for possible future collaborations between private and public companies in the telecommunications, food and energy areas.

Q.

The Italian government's relaxation of capital movement rules has further stimulated the flow of foreign investment into the country. Schroder banking group, for example, recently launched a L100 million (\$77,000) closed-end capital venture fund aimed primarily at expansion-minded, mid-sized Italian companies. "There's been a change in cultural attitude," notes Paolo Colonna, a partner of Schroder Associati. "In the 1970s companies were involved in internal restructuring. Now they're looking for ways to improve their market share, including cross-border acquisitions."

A series of bold but not always successful transnational takeover attempts this year reflects Italian companies' new spirit of aggressiveness. Tiremaker Pirelli SpA acquired Armstrong Tire Co. following its failed bid for the larger Firestone Tire & Rubber Co. and Banca Commerciale Italiana SpA



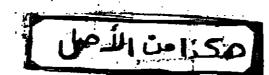
Milan headquarters of the Ferruzzi Group and Montedison.

withdrew its friendly offer for Irving Bank Corporation only after an adverse ruling by the Federal Reserve board effectively undermined its position.

In what was perhaps the most daring Italian-led raid to date, Carlo de Benedetti sought control of Societe Generale de Belgique but was defeated by a patchwork alliance of some of Europe's most powerful industrial and financial groups. And earlier this month a similar sort of coalition formed to block a public offer by Mr. de Bene-

See Mergers page 12





# Airlines: Coming to Terms With the Treaty of Rome

Despite its position in the top ten aviation nations in terms of market and airline size, Italy is in the heart of the conservative camp when it comes to implementing the 1992 air transport market. It clings to traditional bilateral controls on entry, capacity and price; accepts only the most gradual EC air service liberalization; and shields its markets and its airline from the most chilling impact of competition.

With major European traffic flows from similarly inclined Germany, France and Spain and with much of the liberal United Kingdom traffic traveling on charters, this strategy has been relatively successful until the most recent EC package was introduced last De-

Italy shares the common concern of Southern European countries that the lower-cost carriers from the North will undercut prices and that quality service operators will sweep up the passengers - particularly on long-haul intercontinental flights to the United States and lucrative Pacific markets. There are also more specific Italian worries about the impact of liberalization, such as the potential effect of European competition on the already troubled labor scene, where airline, airport and air At first sight, aviation appears to have missed the great Italian enterprise boom of the 1980s. While other industries have been setting their sights on expansion into Europe and beyond, bringing with them a sense of flair, excitement and keen competitiveness, air transport seems to have been more focused on national consolidation.

feature of operations. Other potential problems are the impact of rapid traffic growth on the overcrowded airports -- particularly at the terminal in Rome and on the runways in Milan, the two major hubs — and the consequences to the fragile security situation of dismantling European bor-

Alitalia, the state airline, dominates Italian domestic and international air transport. Carrying almost 15 million passengers per year, it is the tenth largest airline in the world and claims in its advertising to be the third largest in Europe in terms of passengers and fleet. The government owns 67 percent of the shares with 33 percent in private hands. Through its subsidiary ATI, the company operates a comprehensive domestic network. Alisarda, a privately owned domestic carrier

traffic control strikes are a routine based in Sardinia, is Italy's only

other airline of substance. Alitalia has not been noted for its enthusiasm for competition, preferring the more comfortable world of bilaterally divided markets, regulated capacity and IATA-agreed prices. In recent years, however, it has been quietly preparing for the challenge of liberal European and global markets.

The airline balance sheet has been brought into the black in the 80s after a decade of catastrophic losses. This has been achieved through tough cost control, together with judicious aircraft acquisition and sale. Several small affiliates have been grouped into a single subsidiary to streamline domestic operations, and a targeted regional airline expansion program has been undertaken to ward off competitors in this expanding market sector. One of the boldest moves was to

take a shareholding and management responsibility in the chronically loss-making Aeroporti di Roma, turning it into a profitable venture.

The key sign of a new realism is steps which have been taken to prepare for the advent of airline multinationals in the global markets of the 90s. The partnership stake in Galileo, one of the two European Supercomputer Reservations consortia, and a share in United Airlines COVIA system will give worldwide distribution channels and earn good revenues.

A special marketing agreement with United will increase access to the world's largest travel market. A bid along with Swissair for an interest in Aerolineas Argentinas makes good commercial sense given the high yields on South Atlantic routes and the fact that 40 percent of Argentine's foreign travel is to Italy.

Despite these measures, public confidence in Alitalia has remained low and dissatisfaction with inflight and ground service has intensified in recent/months. In an effort to force more rapid change and to respond to a mounting tide of political criticism, the state holding com-pany IRI replaced Alitalia's chairman of the past decade, Um-berto Nordio, with Carlo Verri, known as a people motivator.



Alitalia carries almost 15 million passengers per year.

Observers agree that the airline should accept the challenge of 1992 and press for open European air transport markets. This would include the requirement for Alisarda and other private Italian and European carriers to obtain new operating rights. A new participatory, innovative management culture focusing on customers and service as high priorities along with negotiation of new industrial accords would help restore public confi-

dence in the airline's reliability. Operations at Milan could be restructured to create a practical Southern European hub at Malpensa, and a shuttle service between Rome and Milan, responding to public demand and making sound commercial sense, could be instituted. Facilities and the service at Rome's Finmicino airport need to be improved and financial gains of the recent past must be consolidated if fleet improvement is to be

Cooperative arrangements with other airlines are also possible. Any of the airlines involved in Galileo -British Airways, Swissair, KLM and United — are likely partners, strengthening the base in key European and United States markets and providing a platform for similar negotiations with a Pacific carrier. Despite first impressions, there is a potentially bright expansionary fu-ture for aviation in Italy. Geoffrey Lipman

# The Banking Sector: Profitable but Problematic

In a moment of optimism and economic growth, Italian bankers and monetary authorities are preparing for January 1, 1993, when a single market for financial services will open in the EC countries.

In the pre-dawn of European integration. Italy's banking system presents both important strengths and serious weaknesses. According to a recent Bank of Italy study, the average Italian bank is better capitalized and more profitable than those in most other EC countries, but the panorama is spotted with what supervisors call "pockets of inefficiency." The euphemism is used to describe both problem banks — some are severely undercapitalized and have portfolios that are riddled with bad debts --- and problem areas that are common to the majority of Italy's financial institutions: overstaffing is the rule, and despite massive investments in technology, pro-

ductivity has actually declined over the last ten years.

One factor that will be of critical importance is the relatively small size of Italian banks in comparison with those of other EC countries. To address the problem, the central bank has been encouraging mergers and acquisitions; the Treasury, for its part, has proposed tax breaks for merged banks. A process of "partial privatization" is also underway to enable the state-controlled banks which predominate — to fund their expansion through the stock market. Italian businessmen are taking advantage of the opportunity to propose their own solution: a law that would allow industrialists to purchase controlling stakes in

There are no appreciable differences in the performance of public and private banks in Italy. "Public banks in Italy are run along the same lines as private businesses," comments Sergio Siglienti, managing director of Banca Commerciale Italiana, one of the country's largest public institutions.

But to achieve the economies of scale necessary to thrive in an ECwide market, the Italians will probably have to join forces with foreign partners, some of whom may be reluctant to forge equity links with public banks. The strategic options for the larger Italian banks will include joint stock participations in other EC institutions," explains Stefano Meloni, managing director of Eptaconsors, a leading merchant bank owned by seven Italian savings institutions. He adds, "Unless the state is willing to give up its majority position, I anticipate some foreign banks would hesitate before entering into ventures of this type."

The creation of the single market will be the result of two processes: the liberalization of capital flows and the application of the principles of freedom of establishment and cross-border provision of banking services on the basis of mutual recognition and home country prudential rules.

"A move to create extensive retail branch networks is unlikely because the costs and risks involved in that kind of strategy are too high in comparison with the potential benefits," comments Zefferino Franco, chief executive officer of Istituto Bancario San Paolo di Torino, one of the most innovative of the major Italian banks.

"There's been misdirected emphasis on 1992 'opening' the mar-ket," says Stefano Preda, banking and finance professor at the University of Naples. "The market has certainly not been closed up to now. It's true that foreign banks need approval to establish branches, but as far as I know the central bank has never denied permission to a major operator from the EC countries, Japan or the United States. Everyone who wanted to come has already done so. What's more, many of them - like Chemical Bank and Wells Fargo - have already left."

The motives that have driven a number of foreign banks to abandon Italy are complex, and it is not clear whether the freedom to branch freely or to offer new products under a regime of home-country control would offset their problems.

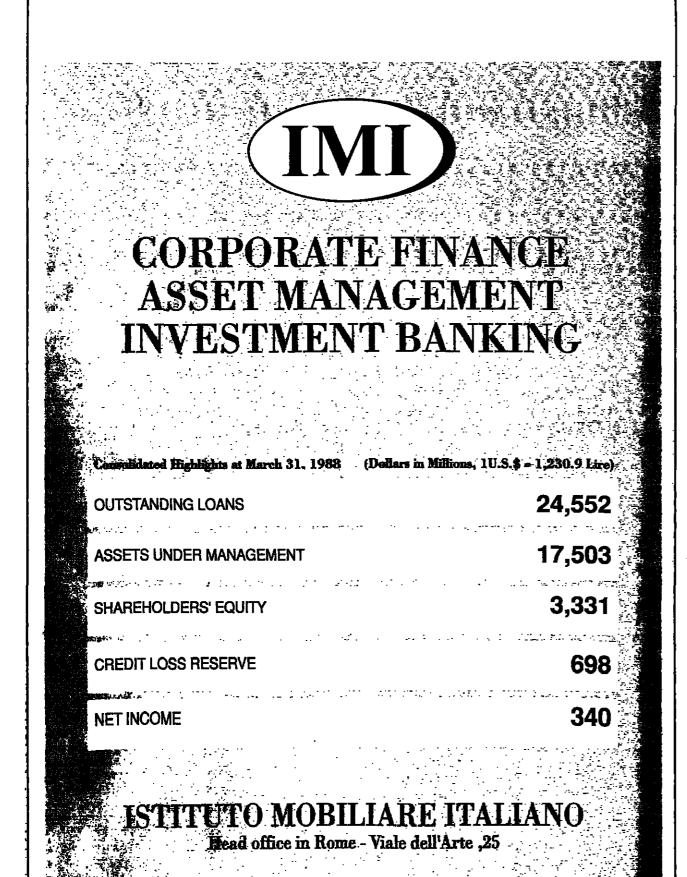
Mr. Preda, also chairman of the board of directors of Cititrust, Citicorp's trust management subsidiary in Italy, believes that the most promising area for foreign opera-tors after integration will be "private banking" services for wealthy clients. Mr. Franco of SanPaolo thinks Italian institutions would do well to hone their skills in sophisticated services for business clients, such as cash management, multicurrency treasury management and in-

ternational funds transfers. The lifting of foreign exchange controls has produced no significant outflow of funds, partly because high domestic interest rates have served to attract foreign capital: Italy has registered a net capital inflow of ten trillion lire (about \$ 7.7 billion) since January 1, 1988, when residents were first allowed to invest in foreign securities without making a 15 percent deposit to a

non-interest bearing account with the Bank of Italy. The lira should remain strong if the three-point differential between inflation rates in Italy and other European Monetary System countries does not widen and the balance of trade can be kept in line. Leashing in the public deficit is another priority.

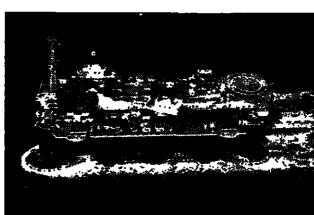
To meet the challenges of the unified market, Italian bankers underline the necessity for further deregulation of the credit system to bring it more into line with the laws in other EC countries. "What's needed is a gradual liberalization process, so that Italian banks, which are subject to tighter regulations than their EC counterparts, are not unduly penalized," says Mr. Franco of SanPaolo.

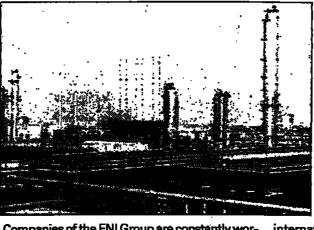
Mr. Siglienti of the Banca Commerciale sounds a warning note: "Home country control and mutual recognition are no substitute for the harmonization of national banking regulations. Imagine the confusion if banks from each of the 12 countries were operating in the other 11: we'd end up with a total of 132 different bilateral accords."

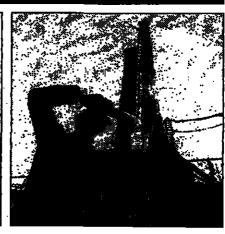


# INTERNATIONAL CO-OPERATION. A STEP IN THE RIGHT DIRECTION







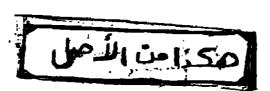


Companies of the ENI Group are constantly working towards this end in all continents of the world. Today, through the supply of goods and services, over one-third of the total revenue of and services; mechanical manufacturing, texthe Group is derived from sources outside Italy. Because of their advanced technology much of these have been incorporated into the industriasectors, such as engineering and services and mechanical manufacturing, Group companies Because of their advanced technology much of lisation and development plans of many countries thus helping Italian products to be a moving force in the

international market. ENI Group company activities encompass: all aspects of the energy tile machinery and metallurgy. In some of the are more heavily involved in interna-

tional projects than in the Italian Agip AgipPetroli >Snam >Agipcoal >Sainim >EniChem

Snamorogetti Saipem NuovoPignone Savio Sofid Eni Int. Hokiin



# ADVERTISING SECTION

# Business Masters the Art Of Cultural Relations

Since the 15th century, when Florence's powerful Medici family patronized the arts, Italian organizations have recognized the value of sponsoring cultural projects. The practice is becoming more popular.

The marketing benefits in terms of image are secondary. The major reason we do these projects is because it's the right thing to do," says a spokesperson for the Istituto Bancario San Paolo of Turin.
The "right thing to do" may also

be good for the image in the long

Arts sponsorship is lowcost image promotion

run, and with discussion of parity products and the foreseen competition after 1992, image is now regarded as a determining factor in business growth.

The show "FIAT 1899-1989: An Italian Industrial Revolution," which opened November 22, 1988 at the Science Museum of London, is the latest in a series of collaborations between Italian companies and cultural institutions. Olivetti has been active in forging ties be-tween business and the arts for 20 years; newcomers range from Alitalia (the national airline) to As-

sitalia (the insurance company). Why the big interest in the arts by Italian corporations? Part of the answer lies in the cultural heritage of Italy. Art and beauty are everywhere, but so is pollution - and the consequent deterioration of much of that artistic heritage. It is estimated that up to 70 percent of the monuments need repair, and almost half the museums are closed except by special request. More art lies in warehouses than on display, and although \$1.4 billion was allocated for restoration in 1987, government bureaucracy drained one third of that amount.

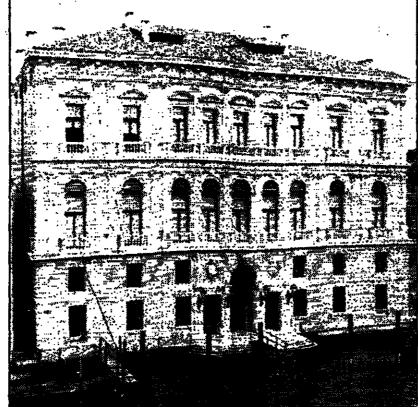
The private sector is moving in to cover the breech. They will spend about \$1 billion in cultural sponsorships in 1988, a figure increasing at about 10 percent a year. Italian savings banks are disproportionately represented, in part because they are required by law to devote a percentage of their earnings to public service activities. Because regional rather than national banks dominate in Italy, cultural investments are largely regional as well.

For example, the 500-year-old Monte dei Paschi di Siena is heavily involved in the cultural life of Siena, including restoration of its own historic headquarters in the city. It also supports the world-famous Palio horse race in the city each year but, as a bank spokesperson explains, "We do not consider the Palio part of our program of cultural sponsorships. We believe in organizing and running our own events." Similarly, the Cassa di Risparmio di Firenze is sole sponsor for the renowned "Maggio Musicale," an international music festival held each May in Florence, and it has also undertaken restoration projects in Tuscany.

Until recently, public service projects underwritten by banks and companies were done a pioggia (like rain), in the words of one bank official. That is, they were sprinkled around with little overall direction or strategy. Today's increased competition and wider acceptance of marketing techniques have made banks more targeted in the activities they sponsor.

Philippo Zevi, who five years ago founded the Media Arts consulting group to help companies develop cultural events, says, "Communicating your image through culture has a special side benefit - it works for the public good in a way that traditional advertising does not. And it costs less. For about \$80,000, you can sponsor a quality museum show in a major Italian city, including advertising, a catalogue with your company's name on it and a reception with guests of your choosing. Can traditional advertising do the same?"

Ratti is Italy's leading producer of printed silk fabric and a world leader in the manufacture of natural textile fibers. But because Ratti does not sell directly to the consumer, its name was not widely known. In 1985, the company initiated a vigorous program of cultural sponsorship, the most recent example of which is "Ratti and Paisley," a show now touring the globe. After one year the company leapt from nowhere to fifth place in its category, in a widely read survey of corporate image in Italy. Emanuele Capialbi, Ratti's director of public relations,



Fiat's Venetian showcase for the arts, the Palazzo Grassi.

attributes the venerable company's new visibility to its cultural pro-

Another textile firm, Lineapiù, has the image advantage of being headquartered in Florence. Its participation in the arts is active and ongoing, with the guiding strategy that its textiles must relate to every activity is undertakes. These range from a water ballet on the Arno (swimmers wore suits made of Lineapiù fibers) to a planned exhibit next year at the Pitti Palace in cooperation with another Florentine patron of the arts, Bijoux Cascio.

Fiat has an extensive advertising budget, but it also allocates an undisclosed amount of money for its considerable cultural undertakings. Nowhere is this more true than with its Venetian showcase, the Palazzo Grassi. Designed in 1740 by the Venetian architect Giorgio Massari, the structure was bought by Fiat in 1984. The company assembled a team of top-notch talent to restore the building to its former prominence, and has inaugurated high quality shows there. The most recent, "The Phoenicians," ended its six-month run this month and broke records for a musem exhibit in Italy, attracting 750,000 visitors.

Even more experienced at mounting record-shattering exhibits is Olivetti, which in 20 years has presented more major shows at world-class museums than any other company its size, Italian or otherwise. One of its best-known pro-jects, the exhibit "The Horses of San Marco," toured London, New York, Mexico City, Paris, Milan and Berlin between 1979 and 1982. At the Metropolitan Museum in New York, it drew 800,000 visitors in three months, the second-largest crowd ever for a show there.

Paolo Viti, Olivetti's director of cultural relations, explains: "Three things are important when talking about our involvement in the arts. First, we don't 'sponsor' shows. We create them from scratch. Second. we have been doing this a long time. We can supply organization, preparation of display materials, documentation by experts in the field. Third, in the delicate area of culture, money alone is not enough. Relationships with museums count a great deal. After all, we are working with museums, not competing with them."

For his company's long-standing involvement in the arts, Olivetti's president Carlo de Benedetti last year received the Hadrian Prize from the World Monument Fund. The award is given each year to an international figure who furthers the tradition of arts patronage. That an Italian was the recipient is not surprising: the descendants of the Medici are alive and well and living in Milan, Turin, Siena and Rome as well as Florence. Claudia Flisi

# Private Sector Battles

Continued from page 9

technology, and now it is poised to

take advantage of that." The boom is not restricted to investment goods; consumer demand has also been maintained at high levels. And inflation is another record for Italy to be proud of. From a high of 23.1 percent in 1985, Italy will enter the 1990s with a rate stabilized at around 5 percent.

But there is room for improvement. People without a job now account for some 12 percent of the Italian workforce. Unemployment has not tended to be a concern of the private sector, but industry has been more successful than the govcrament in alleviating the problem. Marco Sylvani, economist for Banca Commerciale Italiana in Milan, says: "In the Mezzogiomo [Southern Italy], private rather than public sector interest has been responsible for the economic rejuvenation of places like Bari and L'Aquila. Fiat's plant in Avellino has had considerable multiplier effects in that area."

Mr. Patrucco adds: "There are two types of private sector in Italy. Those which have already been exposed to the winds of international competition need have no fear; those which have been protected by laws, such as the banking sector, are finding change much tougher." Dr. Bruno Lamborghini, vice president for corporate strategic planning and analysis at Olivetti, says: "Industri-al companies or even nations unable to take part in this evolutionary process may rapidly find themselves pushed aside by those that can. In Italy the 1992 deadline should spur efforts to renew aging infrastruc-

The Italian government, which has a bad name because of the amount of time it takes to respond to Community initiatives, is trying to confound its critics. For instance, on October 1, there was a sweeping deregulation of the foreign exchange laws, which will all have to go by 1992, allowing, among other things, Italian residents to borrow foreign currency from their banks. Mr. Patrucco welcomes the general air of deregulation but is wary: "The authorities are now discussing a new anti-trust law. What we are afraid of is that it will herald a new era of re-regulation.

Banca d'Italia - Italy's central bank - publishes figures for the total amount of foreign investment in Italy and these show a substantial increase in the amount of money

coming into the country: 17 trillion lire in the first seven months of this year compared to 6 trillion for the

whole period from 1981 to 1987. The heyday of foreign investment on Milan's stock exchange was in 1985-86. Then, many overseas investors got their fingers burned on an archaic settlements system, and were not quick to come back. Piazza degli Affari has seen significant foreign interest over the past few weeks but prices still appear reasonable by international standards. Antonio Profico, in charge of foreign clients for Carlo F. Pastorino, a Milanese stockbroker, says: "The market has all the necessary ingredients for a

re-rating." While many brokers feel that the insurance sector is expensive, Mr. Profico is not so sure. He says: "It has almost peaked for this year, but is still quite attractive because of the bad shape of INPS, the state pension scheme, and the planned introduction of private pensions." Retailing and building supplies are other favored sectors.

Telecoms, which is trading with an average of 10 times earnings and 2.5 times cash flow, also has good prospects, with a complete overhaul of the Italian phone system in the offing. Much of this, however, the market has "already discounted." says Massimo Bandini, an analyst with the Milan brokers Studio Brioschi. Mr. Bandini berates the limited size of the market: "The small number of stocks available on the exchange is a major problem." Indeed, insurer Generali alone accounts for over 13 percent of total market capitalization. For smaller Italian companies, thirsty for an injection of liquidity, the stock exchange has not proved to be a realistic option. But there is cause for hope. The introduction of openended investment funds — and at a later date, pension funds - should add much-needed liquidity and make it easier for smaller companies to be listed.

For those who would like to invest in Italy, perhaps for reasons of geographical diversification, and who want an easy way to buy into the market, the brokers Aletti have recently launched what they call the Aletti 25. This is a basket of stocks which have been chosen to track the market, and the closest thing to indexing that Italian law currently allows. The stocks account for 58 percent of market capitalization, and have outperformed the market since

**Guy Fitzmorris** 

# Selenia: an Italian reality in the electronic world

Italy is experiencing a boom in a field, which for the non specialist may be considered unexpected. Fashion, shoes, cars have long been the areas in which the Italian flair has been world famous. However, professional electronics has become one of the areas in which Italy has begun to play a major role, italy was one of the first European countries to sell radars to the United States Forces: these sales came from Selenia in team with Sperry (now Unisys Corporation).

# Selenia Elsag Group

Selenia is the leading company of RSE (Selenia Elsag Group), a complex of nine closely coordinated Italian industries, of the State owned IRI/STET holding, which operate in the field of large systems for professional electronics. Together the companies employ 13.000 people, 60% of which are graduate engineers or technicians.

The sphere of activity of the group ranges from defence systems and their related logistics to air traffic control; from computer aided design to integrated space systems; from factory and services automation to process control; from pollution control to biomedical electronics.

# countries

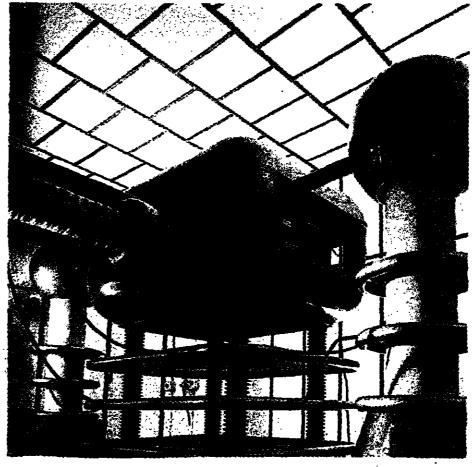


The Air Traffic Control Center of Mazatlan (Mexico) realized by Selenia

was the Hawk missile program. the globe. Air traffic control in 38 This invaluable experience In fact, during this year trol and meteorological radars, Selenia was created in 1960 base. Selenia has reached a and Somalia ordered Selenia's cultural meteorology systems by the merger of two com- particularly high level of ATC systems after a hard and water and atmospheric panies already operating in technology in all the sectors fought battle with all the main pollution measuring systems.

radar and professional elec- in which it operates. For ex- international companies tronics. One of the share- ample, it is one of the world's operating in the sector. holders was Raytheon and one leader in the production of It is on the experience gained

of the biggest programs in radar systems for air traffic in air traffic control that Sewhich Selenia was involved at control with installations lenia has drawn in order to the beginning of its activity situated in 38 countries across diversify into the related civilian sectors of maritime traffic conenabled the company to rapidly Qatar, Argentina, Finland, and to contribute to environdevelop its own technological Australia, Ungheria, Colombia mental protection with its agri-



High energy ion-implantor installed in a research laboratory of Selenia

# the Group

Elettronica San Giorgio-Elsag is in order of size the number two company of RSE. The Company's activity is carried out in three sectors: services automation (including mail sorting), factory automa-

tion and naval defense.

the world, from Europe to American postal service.

In the United States, for ex-

The other Companies of nent and at a high level: its correspondance. Over one products are currently in use hundred of these systems in twenty five countries across are presently in use in the

Latin America, from the RSE's other companies have U.S.A. to the Middle and Far likewise achieved worldwide recognition.

for telecommunications, meteo and earth observation applications. Among other commitments,

station systems and subsystems

Selenia Spazio has taken part in most of the Intelsat satellite programs.

DEA is a world leader in the field of automatic measurement machines. The US aerospace and automobile industries are its most important customers.

Vitroselenia (civilian and military support infrastructures) Esacontrol (instrumentation and monitoring systems), Itakad (CAD for layouts and architectural applications), Esaote Biomedica (electronic systems for medical applications) and SEIAF (an Elsag-IBM joint-venture operating in industrial automation) are to be counted in the technological front line.

## The Selenia-Elsag Naval Systems Consortium

The Selenia-Elsag Navai Systems Consortium is the industrial unit through which Selenia and Elsag compete on the world's naval defence market. Both already wellknown in the naval defence sector, this union has enabled them to further consolidate their presence worldwide.

Selenia-Elsag products include radar and optronic systems for surveillance and Since the 1960, Selenia tracking, command and conample, Eisag has contributed Spazio, for example, has taken trol systems, fire control systo the automation of the postal part in the most important tems, rocket launching systems, system with its electronic ad- Italian and international space electronic warfare systems, The Company's presence in dress readers, machines which programs, designing and conunderwater systems and system the world's markets is promi- are able to automatically sort structing satellite and earth for coastal surveillance.



# Research and Technology: Budget Priority for Industry

Research and technology have made a sudden and forceful entry into the Italian public and private sector spending program over the last few years. While government spending on research at 1.45 percent of GNP is still below the European average of 1.8 percent, almost the same amount is paid toward research and development by public and private sector industries.

One element fundamental to Italian research policy, particularly in areas like aerospace and military technology, is international collaboration. "It's a priority when it comes to space programs," explains Mario Bova, director of international programs in the Ministry of Scientific Research. "Italy's investments in space projects, both Italian and international, rose by 430 percent between 1981 and 1987 and Italy is now the third partner in the European Space Agency after France and Germany." Mr. Roya adds

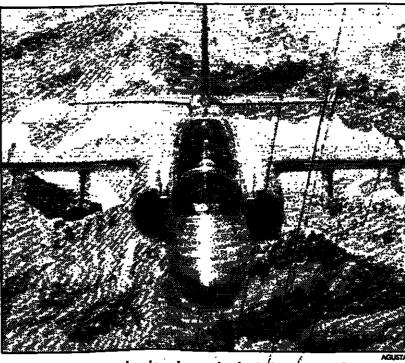
pean Space Agency after France and Germany," Mr. Bova adds.

Principal among Italian participants in space projects is the Selenia Elsag Group, whose nine companies work on aerospace, defense systems, radar and air traffic control, telecommunication systems, services and industrial automation, process control and biomedical equipment. In 1987 Selenia spent some 250 billion lire (\$193 million) on research and development (about 17 percent of the group's annual turnover), with 2,300 of the group's 13,000 employees working in these areas. "It's obviously an important part of our activity," explains Raffaele Esposito, general manager of Selenia and director of

research for the entire Selenia group. He adds: "After all, we are national leaders in most of our products." He points to Selenia products used worldwide, such as the automatic mail sorting system and automated film reading systems used in 25 countries, or air traffic control systems — radar is a Selenia specialty — used in 38 countries, the latest contractors being Australia and Turkey. Selenia defense equipment has been sold to distant markets in India, Thailand and Korea.

Main contracts to date for Selenia Spazio, the only Italian company to be totally dedicated to space projects and development, include participation in the Olympus satellite (Europe's largest telecommunications satellite) built with British Aerospace. Selenia Spazio contributes the company's traditional expertise in this field, supplying the overall payload system and two TV communications channels. Italiat is an all-Italian telecommunications satellite, the first satellite to carry an on-board base band switching facility which turns it into a complete telephone exchange.

The Data Relay Satellite (DRS)



Italy's Agusta group has long been a leader in international contracts.

is the telecommunications element of the European in-orbit infrastructure that provides continuous real-time links between the European orbiting elements and the relevant ground network. Selenia leads an international team as the prime contractor for the preparatory phase of

Italy's increased financing of aerospace research is new, but Italian expertise in this area is well established. Italian participation in multinational space programs usually pertains to structure, propulsion mechanisms and telecommunications. Whereas Selenia sees to the telecommunications and radar systems, it is Aeritalia, Italy's main aircraft building concern, and Snia BPD of the Fiat group that produce the bodywork mechanics and propulsion engines.

Aeritalia is producing an intercommunicating spacecraft for the European space lab Columbus, a major /European space project in which/Italy holds a 25 percent interest. For the recently completed Ariane 5 satellite, Snia BPD produced the propulsion engine and Aeritalia the structural work. Aeritalia is also responsible for conceiving a tethered satellite attached to the United States space shuttle by a 100 kilometer (62.13 mile) Kevlar thread, Aeritalia being a leading manufacturer of carbon fiber composite materials. Aeritalia's research into composite materials as well as into artificial intelligence is being undertaken in collaboration with Enichem, the chemical sector of the state energy group ENI.

Italy's pioneering spirit in aeronautics, renowned in the 1930s, is alive and well today in the form of modern aircraft and helicopter industries. The Agusta Group, Italy's main helicopter group, has long been a leader in international contracts. The Al29 Agusta helicopter has become the model for the multipurpose combat helicopter, the Tonal, made by Agusta with Westland (United Kingdom), Fokker (Netherlands) and Casa (Spain).

Another Agusta group plane, the S-211 jet training fighter made by Siai Marchetti, the group's aircraft division, is a main contender for the European NATO Joint Pilot Training program. The EH101 is a joint Agusta Westland military helicopter of which three prototypes are being tested; 222 are destined for the British and Italian military market, while the Canadian and possibly American military are expected to place orders as well.

The EH101 has a Selenia navigation system consisting of two calculators and two sensor interface units. Selenia also dedicates 15 percent of the group's total research budget to innovative research regarding electro-optics, infrared and laser perception, software engineering and artificial intelligence

ing and artificial intelligence. Fiat has also been actively involved in research and development, with its most spectacular innovation being the new Tipo car, the first to be almost entirely made by robots. Robotics have become a Fiat specialty and the machine tool sector of the group, COMAU, now produces almost half the robots used in the most up-to-date Italian factories. The Fiat Tipo is produced in Cassino, Southern Italy, the first totally computer-integrated manufacturing (CIM) plant anywhere. Here 403 robots and 24 lasers are watched by 49 TV installations and 5 automatic control machines.

"Robotization is steadily changing the face of industry," says Vincenzo Iorio, who is in charge of research programs at ENI. "Much of today's research can seem humdrum," Mr. Iorio says, "but the truth is that new systems and methods are essential to new products or new demand. Mechanical and electrical production methods are being taken over by electromagnetic and computerized methods which means a new kind of expertise."

ENI's research is part chemical, part energy-oriented with projects at present including the preparation, pipeline transportation and clean combustion of coal, the robotized monitoring of off-shore oil wells, a computerized method of evaluating geological and thermal makeup of potential oil fields, and the development and production of MTBE, the high octane additive for unleaded fuel.

Scientific research is also beginning to blossom with new ministerial encouragement. Early this year a government-sponsored Italian group of 120 scientists from universities and the National Council for Research went to the South Pole to study the diminishing ozone layer. Nuclear physics research is another peculiarly Italian area of expertise; Antonio Zichichi and Carlo Rubbia are both illustrious Italian scientists in the field.

Mr. Zichichi has opened up a huge nuclear physics laboratory in a singular underground setting: a tunnel under the Abruzzi mountains. Here, where the mountains have extremely low radioactive content, nuclear scientists study the earth's makeup to better understand the "big bang" theory. This cavernous lab will soon be hosting further experiments of "passive physics," or observation, with a view to studying, among other things, the seismic activity of Italy's turbulent underground.

Janet Stobar

# Mergers and Acquisitions

Continued from page 9

detti's French auto-parts affiliate Valeo SA for car-seat manufacturer Epeda Bertrand Faure SA.

Meanwhile, Italy's largest insurance company, Assicurazioni Generali SpA, has assembled around a 16 percent shareholding in France's Compagnie du Midi. Trieste-based Generali just replenished its war chest with a L1.1 trillion share issue and appears poised for further acquisitions around Europe, Many analysts think it is only a matter of

time before the fragile ad hoc alliance between Midi and fellow assurer Axa breaks down, allowing Generali to take a key management position in the French concern.

"Until recently Italian companies didn't realize how important it was to achieve critical mass. Now they are making up for lost time," comments Maurizio Musatti, a consultant with Booz-Allen & Hamilton in Milan.

While Italian firms have been busily seeking cross-border assets

and allies, their foreign counterparts have been equally active in Italy. Nestlé SA's L1.34 trillion purchase of pasta maker Buitoni SpA from Mr. de Benedetti anticipated the recent flurry of high-priced acquisitions in the food sector, although Parmalat. Italy's largest milk producer, rejected what was rumored to be a hefty offer by Kraft. The consumer-goods, pharmaceuticals, and insurance sectors have also been commanding the interest of multinational buyers.

"This is the moment to sell," comments Giovanni Tamburi of investment bank Euromobiliare SpA.
"These kinds of prices won't last forever," he adds.

Tender offers and leveraged buyouts are still relatively uncommon in Italy because the vast majority of companies remain in private hands or else are controlled by shareholding syndicates. Furthermore, the almost total absence of corporate bonds and an inherent suspicion of debt financing make management buyouts extremely rare. Of the two MBO's realized in 1988, one related to a disinvestment by a foreign multinational, while the other was carried out with the participation of a state-owned concern.

"Italian managers don't believe they can buy a company without having the cash in their pockets," according to one industry analyst. Family buyouts, however, represent a promising field for M&A specialists. A recent example of this type of operation involved Fin Petrini SpA, a fourth-generation family holding company with interests in pasta, livestock and animal feed. "There were ten members of the Petrini family in management positions," recounts Dante Razzano, head of Citicorp's Italian M&A division which handled the operation.

of a coherent long-term strategy."

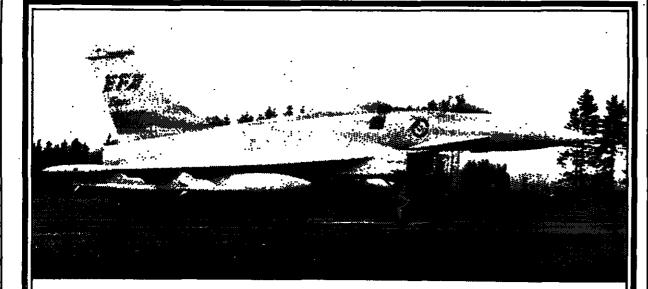
Citicorp's original mandate was to find an outside buyer, but then the Petrinis had a change of heart and

Adds Mr. Razzano, "Company sales were stalled because of the lack

decided that they wanted to keep the company in the family. The solution was for one of them to buy out his relatives with a loan package put together by Citicorp that included an equity stake for the American bank.

Many analysts believe that mergers and acquisitions represent the quickest and most practical way for hundreds of Italian companies to gird up for 1992. With their substantial cash reserves, strong industrial base and a new breed of forward-looking managers, they are well-armed to strike at foreign targets.

"Suddenly," says Mr. Colonna of Schroder Associati, "it's become very fashionable to go abroad." Michael T. Kinnicutt



# AERITALIA: ITALIAN LEADER IN AIRSPACE INDUSTRY

Aeritalia, Società Aerospaziale Italiana of Gruppo IRI-Finmeccanica, was founded on November 12, 1969 and is the major national industry in this sector.

Aeritalia has its head offices in Naples and has a workforce of more than 16,000 employees distributed in 13 industrial complexes throughout northern and southern Italy who are divided into six operational groups.

The Transport Operational Group is located in Pomigliano D'Arco (Naples), and has additional factories in North Capodichino, South Capodichino, Casoria, and Foggia. Its principal activities include the development, planning, experiment of fuselage and tall units of the regional transport planes ATR 42 and ATR 72. The national programs at Pomigliano provide the planning and construction of the G 222, a multi-use transport turboprop plane employed for troop and material transport, paratroop launching, maritime patrol and radio calibration. The international programs are the design and production of the structural elements of the Boeing 767, the design and production of mobile surfaces in composite materials and the production of a complete series of fuselage panels for the McDonnell Douglas DC 9 Super 80 and MD 11, the design and production of rudders, drift and fuselage panels for the tanker KC 10 and the production of structural elements of the nacelle of the motor CFM 56. In addition, there are studies on the construction of the Aeolian generators AIT 02, AIT 03, AIT 04 used for the production of low cost energy. The Group oversees a development program for the production and testing of a McDonnell Douglas demonstrator which uses the propfan.

Alfa Romeo Avio, based in Pomigliano D'Arco, designs and manufactures aeronautical motors and their components. It is particularly specialized in the field of turbines and combustion chambers, and collaborates either as a licensee or as a partner with the principal engineering firms of the world.

The Overhaul Modification Maintenance and General Aviation Group has its factories in Naples, Venice and Torino Caselle and provides support for the aircraft constructed by Aeritalia and offers overhaul and maintenance modification for civil and military aircraft including the C 130, Boeing 707, DC 8 and DC 9, Fokker F27 and F 28, Learjet, Cessna, F 104, G 91 and Atlantic.

Partinavia, based in Casoria, designs and constructs the twin motor, seven seat P 68 and its derivative the eleven seat Viator specifically designed for use as an air taxi, civil protection, patrol, coastal surveillance and environmental control.

In the Combat Aircraft Group, based in Torino's Corso Marche, Aeritalia is responsible for the design, wing construction and final assembly of the supersonic fighter Tornado under a trinational collaboration program of Aeritalia, British Aerospace and MBB. For the products in the course of manufacture, the Group defines the plans for development of the Euro-fighter Aircraft (E.F.A.), the European program for the realization of an aircraft of air superiority in which Italy participates with Great Britain and the Federal Republic of Germany, and the wings of the Experimental Aircraft Program (E.A.P.), in collaboration with Great Britain. In addition, Aeritalia, as the main contractor, with the participation of Aermacchi and Embraer, develops the AM-X, the aircraft for tactical support.

The RPV and Systems Group, based in Torino Caselle, Nerviano (Milan), and Monfalcohe is responsible for research, development, production and integration of the airplane's electronics and the on board systems for navigation, surveillance and defense. In addition it produces the Mirach 70, piston engine vehicle and the Mirach 100, jet vehicle and the Mirach 20.

The Space Systems Group, based in Torino's Corso Marche, is responsible for the international programs in the European sphere with the European Space Agency (E.S.A.) and in the United States with N.A.S.A. The Group's national programs are developed in concert with the Ministry of Scientific Research and the National Advisory Committee for Research (C.N.R.).

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صكذات الأصل

# Sample of the Fashion World's New Global Design

What do Jean-Paul Gaultier, Martine Sitbon, Azzedine Alaia, Christian Lacroix, John Galiano, Katharine Hamnett, Sybilla and other ascending fashion luminaries have in common? All are young, all push the limits of fashion design and all have some or all of their production based in Italy.

The Italians seem to be not only admired and copied worldwide for their fashionable lifestyle, but sought after for their inimitable production quality and flexibility in clothing, shoes and accessories.

It is not news that designers work in Italy. Established names like Yves St. Laurent, Christian Dior and Pierre Cardin have used Italian manufacturing for years. The new trend is the influx of young, spirited international designers: in last sea-

"Fashion is becoming less and less regional."

son's "Contemporary" fashion fair in Milan, devised to introduce new designers, 50 percent of those shown were non-Italian and 80 percent of those had Italian manufac-

Tino Cosma, president of the Italian Apparel Manufacturers Association (IAMA), says: "The Italian fashion industry is unique. It's made up of hundreds of flexible, small-to-medium-size companies that can give big and small designers alike a great selection of production possibilities to choose from." The association says Italian manufacturers are willing to take risks

with young clients. Adriana Gentile, owner of Blueline in Northern Italy, explains why foreign designers are flocking to Italy for production: "Without question, Italian quality is a number one factor," she says. "But we also have a great selection of fabrics with molto fantasia (imagination) that can't be found anywhere else." Her company, whose exports reach 60 to 70 percent of its turnover, produces Bill Kaiserman, an American designer who lives and works in Italy; Piero Panchetti, an established Italian designer; and John Rocha, an emerging young Irish designer who works out of London. Mr. Rocha says: "The Italian manufacturers let you do your own thing. They don't try to tell you how to design: they

Italian manufacturers try to satisfy demands of foreign talent while also promoting their compatriots. Genny Moda SpA produces its own Genny and Byblos labels and Christian Lacroix collections. Gibó produces its own Zuccoli line as well as Jean-Paul Gaultier and Sybilla while Marchi e Valori produces the Gaultier Junior line. Gruppo Alma SpA produces Thierry Mugler, Lo-lita Lempicka, Martine Sitbon, and Junko Koshima; Ball-Collico produces Katharine Hamnett.

Italian exports in the sector are still growing, though not as quickly as a few years ago, and imports are growing at an even higher rate. IAMA reports that exports grew 1.6 percent in 1988 from 2.909 trillion lire (\$2 billion) in 1987 to 2.956 trillion in 1988. Imports grew 14.5 percent from 692.3 billion lire in 1987 to 792.7 billion in 1988. Major export markets for combined IAMA members are Germany at 26.5 percent, the United States 13.3 percent, France 12.7 percent, Switzerland 7.5 percent, the United Kingdom 6.3 percent, and Japan 4.9 percent. Sanja Lencek, head of Umberto Ginocchetti's marketing office, says: "The USA is still our prime target market, even though the dollar has fallen in these last three years. America has always been difficult."

Spain is not yet on IAMA's exports list, but Italian fashion houses see Spain as the new frontier, ripe for development and perfectly adapted to "Made in Italy" products. Each country creates its own medium-level consumer product industry, but higher priced goods are international and Italy will have its best opportunities in Spain with this

Gianfranco Ferre's marketing director, Gianfranco Barbetti, says: We're interested in Spain. The Spanish have a Mediterranean lifestyle similar to ours and they love nightlife even more. They like to eat out later, go to clubs, dress up and have status symbols."

The Salvatore Ferragamo company, maker of clothing, shoes, and



Italian fashion moves into new markets; above, an Armani suit.

accessories, is watching Spain "with a lot of attention." Ferragamo has recently opened a boutique in Barcelona and is establishing distribution in Madrid. A few companies, like Ermenegildo Zegna, already have established themselves in Spain. Giorgio Armani is expanding there, with boutiques in Madrid and Barcelona and four Emporio Armani stores being established in major Spanish cities.

IAMA's Mr. Cosma says that since entering the EC. Spain has been loosening up its controls on imports. "The Spanish are becoming less obstructionist," he says. "There used to be high duty charges on goods, nightmarish red tape and quotas. But it's getting easier to get products on the market now."

Clearly, the fashion industry is building up for 1992. According to Mr. Cosma, "Fashion is becoming less and less regional. Probably, because of television, films and magazines, the limited market is gone. It's now the universal market with all the accompanying possibilities and

Janette Martin

# Public Sector Deficit Cuts

Continued from page 9

nor benefits but will increase revenue. A rough and ready scale for assessing the presumed income of lower level self-employed workers is to be introduced, while a controversial feature would pardon former self-employed tax dodgers in return for payment of a certain sum. Value added tax is being increased.

Local authorities will receive less funds from the central government but will themselves be able to increase certain local taxes. Ceilings are set on future expenditures on state employees, thus ending a period of generosity. Subsidies are cut for public services, and also for opera houses and theaters. The government has given priority to getting the package approved on

The government's attitude was welcomed in a speech by Carlo Azeglio Ciampi, governor of the Bank of Italy, who said: "The intensity of its action undertaken against expenditure testifies to the government's will to pursure its planned objective.

During October and early November the opposition in Parliament dug in its heels and the package risked getting bogged down amid more than 600 amendments tabled in the Chamber of Deputies. Then, in mid-November, the Communist opposition agreed to contemplate a timetable, enabling most of the package to go through the Chamber and, subsequently, the Senate by the end of the year.

The government is less vulnera-ble to snap defeats than its predecessors since a recent reform limited the use of secret votes that provided a chance for coalition rebels to turn against their own party anonymously. The package has, however, undergone some modifications in Parliament and the price for the opposition's green light may be fur-ther concessions. The final target, nonetheless, should not be far from the government's objective of a 1989 budget deficit of 117.35 trillion lire. In July projections had indicated a likely deficit of 147.5 trillion lire, hence the urgency of the maneuver to drain some 30 trillion lire. The deficit results from government spending well above 400 trillion lire and revenues above 300 trillion lire.

The deficit is already uncomfortably high this year. Governor Carlo Azeglio Ciampi of the Bank of Italy says it will be more than 118 trillion lire, thus overshooting by some 15 trillion lire the target set a year

About 70 percent of the deficit goes on servicing the public debt, which in September reached the psychologically important level of 1,000 trillion lire. With lire interest rates in double figures, this is a serious problem, especially as much of the debt is short term. The Treasury has been trying to lengthen maturities on its securities, but without success. In fact, Mr. Ciampi points out, short term (up to 12 months) bonds represented nearly 50 percent of all treasury bond issues during this period, which was more than double their share for the same period of 1987. This fall, however, the outlook has improved.

Already this year the government began to change course, with a series of minor increases in taxes and in prices of controlled items and



Carlo Azeglio Ciampi, Governor of the Bank of Italy.

services. After years of an allegro (happy go lucky) attitude among politicians towards public money, bankers and industrialists say government members now show a greater sense of responsibility.

The Bank of Italy is among those who have been preaching financial discipline. Mr. Ciampi has in his speeches hammered on the theme that public spending, or rather overspending, is the central question for the economy. It was he who pointed out that Italy accounts for 19 percent of the EC's product but 29 percent of its public debt. Pressure on the politicians has also come from industry and the labor unions. Sergio Pinfarina, president of Confindustria, the Confederation of Private Industry, called on the leaders of all the political parties separately in order to impress his views on them before the finance bill debate

Mr. Pinfarina says: "It would be serious if the budget maneuver were mutilated in Parliament, while it is to be hoped that it can be improved." Priorities after passage of the bill would be, he says, "Reforms of public transportation, health and pension services."

Last April Confindustria organized a convention on public finances in Naples, attended by top industrialists. Among suggestions advanced. Gianni Agnelli, chairman of Fiat, the country's biggest private corporation, recommended the estabishment of a private mail service to compete with the scarcely functioning public monopoly. In general, however, industrialists are not campaigning for privatization, although the public sector is estimated to account for one third of economic activity. Rather, the industrialists demand from government more efficiency.

Pressure from the unions focuses on taxation. The three confederations — the Communist-led CGIL, the Catholic CISL and the Socialistled UIL - mobilized over 200 thousand supporters for a rally in Rome on November 12 to call for a fair taxation policy. Divided on other issues, the three have no difficulty in remaining united on this, for salary and wage earners pay income tax in full—it is deducted at the source—while many employers and selfemployed workers get away with a high level of evasion. Many politicians expressed sympathy with the union's complaints, such as Antonio Cariglia, secretary of the Social Democrat party in the coalition, who commented: "The Rome demonstrators are quite right. The fiscal injustice in our country is scandal-

An investigation by the state television network RAI disclosed that boutique and souvenir owners of Venice, judging from their tax returns, must live in poverty on average annual earnings of 14.5 million lire (\$12,000). Mr. Giorgio Benven-uto, general secretary of UIL, estimates that income tax evasion this year amounts nationally to 52 trillion lire and underpayment of value added tax to 20 trillion lire. In other words, if the government collected taxes efficiently, its deficit would no longer be a serious problem. Otherwise, economic indicators are set fair - growth this year is forecast at 3.6 percent, while inflation should remain below 5 percent. As the leaders of banking, industry and labor point out, the government should now get its house in order, if the country is to enjoy prosperity in the barrier-free Europe of the 1990s. John Earle

The scenario.

respect your creativity."

From 1992 the open European market means that products and services will no longer be constricted by national boundaries. Competition will become more aggressive. Products and markets mature even more rapidly. These elements the elements that will characterise the mineties are easily recognised, even if it is difficult to identify the way that they will come together. What is certain, however, is that once again change will accelerate and once again companies will have to face up to new situations. They will have to guide and mould change to suit their own operating needs and capitalise on change as an occasion for growth and development, if they don't want to be swept away.

Olivetti, Europe's leading manufacturer of information technology and office automation products and systems has already started to answer the problems caused by these changes.

# The solutions.

The history of technological innovation in the computer industry has been the history of a handful of companies. One of them is Olivetti. In the fifties, Olivetti was involved in the first European mainframe project; in the sixties, it launched the world's first desk top programmable com-BRIDGING THE PRESENT AND THE FUTURE.

puter, the P 101; and in the seventies, it introduced the first electronic typing systems. It is not, however, merely a question of technological prowess, it also involves a deep under-

standing of the market and the client's needs. In the space of 12 months, this combination of stateof-the-art technology and practical, cost-effective solutions has led to major enhancement of Olivetti's total product range. An exceptional achievement unequalled

by any other company. During this period. Olivetti has announced three major developments in information technology:

- the launch of ET/ETV series, the first range of secretarial workstations designed to change and grow according to individual needs - "Personal secretaries for secretaries":

- the introduction of a new PC family built around "choice of freedom" which respects the rights of customers and does not lock them into pre-determined

- the announcement of Open System Architecture, a new system that overcomes the problems of incompatibility between standards, offering genuine integration of computer equipment from different manufacturers. It allows users to upgrade and protect their investment. This safeguard of continuity is symbolised by "The Bridge" linking past, present and future.

# The structure.

Olivetti is a major force in information technology and it has its roots in Europe. Its factories which are equipped with sophisticated advanced automation processes, produce high quality products such as personal

computers. The Scarmagno plant alone, has a capacity of 750,000 machines a year. This makes Olivetti the major producer in

Europe of personal computers. In the last

five years, the company has invested around one thousand million dollars in research and development. Over 4,000 employees are involved in this area, which is equal to seven per cent of the group's personnel, in more than 10 countries in Europe and North America. In addition, Olivetti has developed a network of technological and commercial alliances through both joint capital ventures and participation.

Olivetti is present in more than 30 countries with its own subsidiaries. It ensures a presence in other countries through a series of joint sales agreements by working with local agents. Around the world there are more than 9,000 technicians who guarantee the servicing of Olivetti products. This technical assis-

tance has been extended to cover not only Olivetti products but also those of other manufacturers.



The challenge.

Today, Olivetti offers a new opportunity for growth and development for everybody: customers, investors and employees.

For their customers, Olivetti has designed products that recognise their need for autonomous and effective choices in information systems.

For investors, Olivetti has made important strategic decisions guaranteeing maximum readiness and flexibility, taking into account the needs of the market.

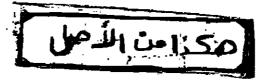
For employees, Olivetti offers a company philosophy that commits vast resources to the creation of a new professionalism and to the development of individuals WETTH OPEN SYSTEM within a common culture.



In fact, the Olivetti philosophy has always been to take stateof-the-art technology and to develop it into practical solutions that the market can use. A simple philosophy but one that works. A

bridge from the present to the future.

Olivetti is represented in all European. Far Eastern and Western Corporate Headquarters: Ing. C. Olivetti & C., S.p.A., via Jervis 77. 10015 Ivrea (To), Italy.



# Travel: Stepping Out in The Heel of Italy's Boot

"La gente di Bari o vende o muore" (the people of Bari sell or die) is a local saying that aptly describes this bustling capital city of the southern Italian region of Apulia (Puglia in Italian), the "heel" of the boot shape formed by the Italian peninsula.

Each September, the city's Fiera del Levante displays Bari's wares in the second largest trade fair in Europe. This past September, over 3,000 exhibitors attracted two million Italians and thousands of foreigners to this city of just over 360,000 inhab-itants, a good indication that Bari is

both selling and thriving.

Despite the fact that Bari ranks among the most organized cities in

Business is conducted to relaxed, formal rhythms

Italy's largely undeveloped Mezzogiorno, or South, business is still conducted here to the region's relaxed and slightly formal rhythms. Business people are elegantly outfitted and groomed. Handshakes are common. Titles such as Ingegnere (engineer), Architetto (architect), Avvocato (attorney), and Dottore (used for medical doctors and anyone with any college degree) are bestowed in conversation with great respect. Polite small talk precedes all transactions, and one of the most pleasurable aspects of conducting commercial affairs in Apulia is the custom of the lengthy business lunch. Typically, it consists of such regional specialties as the earshaped pasta called orecchiette followed by local fish or roast lamb and accompanied by the ring-shaped bread called scaldatelli and the robust local wines - many of which are used to reinforce the weaker wines of the north. One of the nicest places in town to sample the cuisine is Vecchia Bari (Via Dante Alighieri 4; tel. 080-216496), an old-fashioned oasis in the gridlike streets of the new part of town.

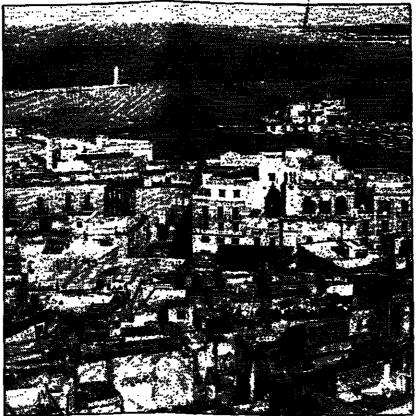
The Fiera del Levante is just one event that fills Bari's fairgrounds. Among the trade fairs scheduled for 1989 are shows of office equipment (February 16-20); contemporary art (March 16-20); Italy's art academies (March 16-20); period post-cards, prints, and antiquarian books (March 18-19); stamps and coins (April 1-9), bridal wear (April and September); footwear (May and

October); horses (June 8-11); and finally the Fiera del Levante (September 8-18). Convenient and pleasant accommodations may be had at the Sette Mari Hotel (Via Verdi 60, tel. 080-441500) near the fairgrounds.

Those with free time in Bari should have a look at the Citta' Vecchia, or old city, a slightly rundown part of town on a promontory. The visit is recommended for daylight hours only, since the area is reportedly dangerous at night. Among its monuments are the ca-thedral of San Nicola di Bari (the original Santa Claus) and a castle erected by Frederick II, the 13thcentury Hohenstaufen emperor who was Apulia's most historically prominent figure. Outside the old quarter are the Museo Archeologico (an important archaeological museum), the Pinacoteca Provinciale (an impressive provincial art gallery), and the Teatro Petruzzelli (Italy's third-ranking opera house, where the season runs from January to March). Those with flexible schedules should also make a trip to Apulia's leading architectural monument, Castel del Monte. It is an octagonal stone structure built by Frederick II for use as a hunting lodge and retreat, and is still quite off the beaten track.

Though Apulia's main event for business travelers is Bari, many other cities in the region offer attractions for business and pleasure. Foggia, an agricultural center and the provincial capital of northern Apulia, holds its own trade fair the Fiera di Foggia — each May and November, and offers accommodations and an efficient regional restaurant at the Hotel Cicolella (Viale 24 Maggio 60; tel. 0881-3890). For those with a car, Foggio is also a good base for a drive around the Gargano peninsula, a rocky promontory ringed with picturesque fishing villages and covered with a thick forest called the

Down the coast from Bari is Brindisi, which has the safest natural harbor on the Adriatic. It marks the end point of the ancient Roman Via



Bari, lively port for tourism and trade in Apulia.

Appia, one of whose old commemorative columns still stands overlooking the port. The port was used by the Romans, Crusaders, and now the numerous hydrofoils that leave Italy for Greece. The business traveler is likely to be drawn there for its shipping industry, its extensive agri-/ cultural production, or its Montecatini-Shell synthetics plant on the outskirts of town. In town, accommodations are offered at the Hotel Majestic (Corso Uniberto I, 151: tel. 0831-222941). Though the city itself is obviously dedicated to commerce, in the nearby countryside are the delightful beehive-like structures called trulli. A whole city of them is at Alberobello, where one trulio contains a restaurant called Trullo d'Oro (Via Cavallotti 29; tel. 080-721820), serving local lamb spe-

South of Brindisi is Lecce, known as "the Florence of the Baroque" because of the florid churches and palazzi carved out of the local golden stone, which make Lecce the most beautiful town in Apulia. Its crafts tradition still flourishes, the main products being papier maché and painted terra-cotta figurines sold throughout the year, especially during Christmas. Lecce offers accommodations in the form of the old-fashioned, centrally located Hotel Risorgimento (Via Imperatore Augusto 19; tel. 0832-42125) and the modern President (Via Salandra 6; tel. 0832-51881) on the outskirts. Both hotels have excellent restau-

On the instep of the boot of Italy lies Taranto, a modern industrial-ized city and headquarters of Italsider. Italy's largest steel corporation. Taranto's best two hotels. Grand Hotel Delfino (Viale Virgilio 66; tel. 099-3205) and Plaza (Via d'Aquino 46; tel. 099-91925), are both centrally located. Like Bari, Taranto has a crumbling Citta' Vecchia or old city worth a ramble for those with free time, though as with Bari, a daytime visit is advisable. In addition to its industry, Taranto's importance lies in the fact that it was the ancient Greek colony of Tara, and it proudly displays its Greek past at the Museo Archeologico, Italy's most important museum of its ancient Greek artifacts. Other local bounty may be sampled at the city's best restaurant, Al Gambero (Vico del Ponte; tel. 099-411190).

For more information on business travel in Apulia, contact the regional tourist office (Corso Italia 15; tel. 080-213134) and the provincial offices in Bari (Piazza Moro 33/A; tel. 080-228855), Foggia (Via Sen. E. Perrone 17; tel. 0881-23650), Brindisi (Via C. Colombo 88; tel. 0831-222126), Lecce (Via Monte San Michele; Tel. 0831-54117), and Taranto (Corso Umberto 121; tel. 099-24457). Dwight V. Gast

# Trade Fairs Encourage Internationalization

Fiera Milano, Milan's trade fair organization, is approaching its eighth decade with confidence and has set its sights high. Secretary General Gino Colombo has declared that by the year 2000, Fiera Milano will be "the best equipped fair in the world."

impressive project to date. This year, the fair attracted over 1.3 million visitors, of which an eighth were from overseas. The partici-pants saw nearly 2,500 exhibitors from 74 different nations

One of the major attractions for the 1989 April Fair will be a 2,500square-meter (around 28,000 square feet) exhibition sponsored by the Soviet Union, returning a compliment paid by Italy in Moscow last year at the "Italia 2000" exhibition. Exhibitors from Latin America, Africa, the Far East and the United States will also be present. The EC intends to use the occasion as a vehicle to publicize its vision of the single European market in 1992. Of course, the fair itself is not missing the chance to play on the importance of internationalism as the 1992 deadline approaches, enjoining businesses to use the event to help themselves develop their European strategies.

To help participants do business, the fair has instituted a "Foreign Trade Salon." This provides computing and interpreting facilities and a news service; it also houses delegations from numerous trade

and tourist bodies. Milan Fair Overseas Exhibitions (MOE) was set up in 1983 to foster the fair's international development. Over its five-year existence, it has flown the flag as far afield as Panama and New Delhi. As well as its representation at trade fairs

Next year Milan hosts its 67th "Great April Fair" in conjunction with the Italian Foreign Ministry, which the Fair sees as being its most improvement and additional to the company has set up a more permanent presence by opening offices in the United States, which the Fair sees as being its most interesting and india. a more permanent presence by opening offices in the United States. Plans are afoot to extend that network to Switzerland, Spain and England.

In addition to the "Great April Fair," Fiera Milano organizes some 90 different specialized exhibitions during the year, with industries represented ranging from fashion to car components.

Ente Autonomo per le fiere di Bologna, Italy's other major trade fair organization, has played host to some 15,000 exhibitors in 1988, and been visited by nearly a million trade professionals, of whom over 12 percent were from abroad. Bologna counts among its most impor-tant exhibitions those for fashion, such as SIMAC and COSMO-PROF. construction (SAIE). children's books and technology. Fair President Dante Stefani says: "European integration and the internationalization of production processes are increasing the importance of exhibitions in the international narketing of goods."

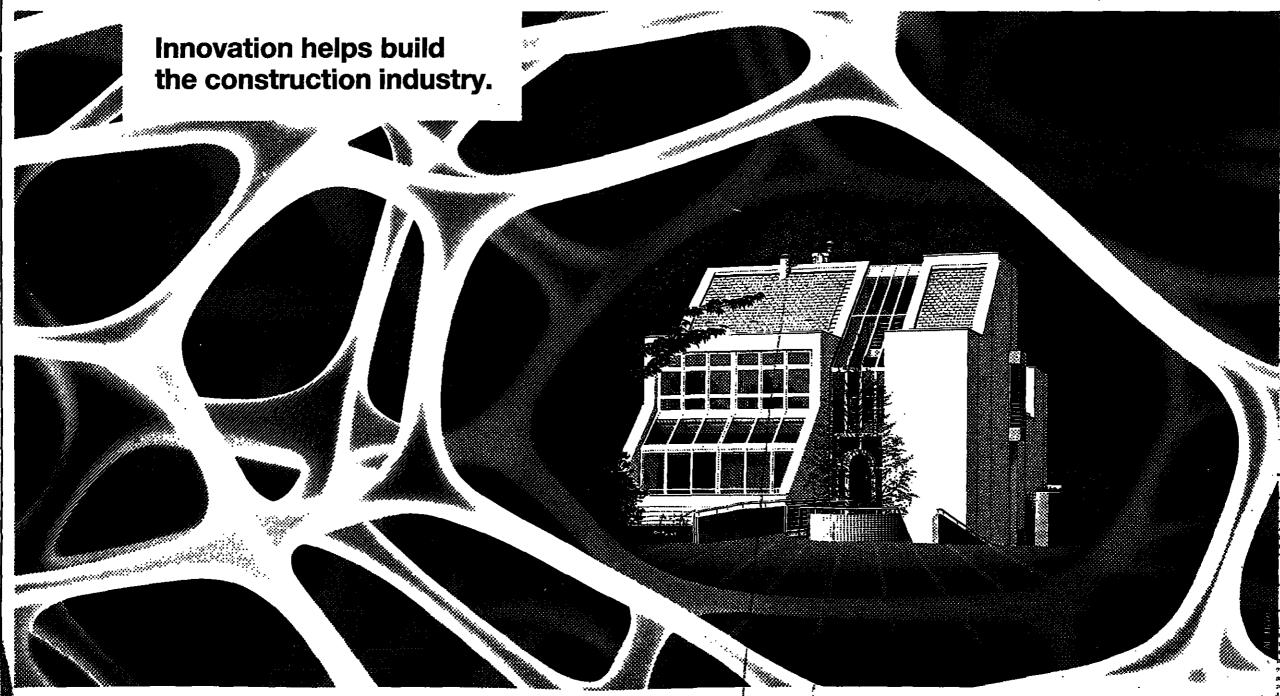
Bologna's plans for development also stress internationalism. The Fiera has taken building trade fairs to China and Russia, and book fairs to Greece and Germany. One of its domestic initiatives is the Bologna-Modena-Ferrara fair complex, which will coordinate events between the three centers, both complementary and independent from the ones held in Bologna. This fair "pole" will have a combined exhibition area of over 200,000 square **Guy Fitzmorris** 

John Earle is a freelance journalist living in Trieste who contributes regularly to the London Times.

Guy Fitzmorris is a freelance financial journalist based in Milan. Claudia Flisi is a freelance writer based in Milan and Monte Carlo. Dwight V. Gast recently wrote about Apulia for the Penguin Guide to Italy. Michael T. Kinnicutt is a freelance writer based in Milan. Geoffrey Lipman is executive director of the International Foundation of

Airline Passengers Association, Geneva. Janette Martin is a freelance journalist based in Milan. Lisa Rosenthal is the Italy correspondent for Lafferty Publications, Ltd

Janet Stobart is a freelance journalist based in Rome.



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Another development in insulation technology is sound insulation with open-cell foam. A new elastic material provides an

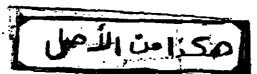
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The Spirit of Innovation:



# WEDNESDAY, NOVEMBER 23, 1988

## MADISON AVENUE

# Why, Oh Why, Oh Why-oh **Not Love Wine From Ohio?**

By RANDALL ROTHENBERG

New York Times Service EW YORK — In the annals of tough sells — a list that includes pushing refrigerators for Eskimos and coals to Newcastle — peddling Ohio wines to Ohioans ranks high. The state has the third-greatest number of wineries in the United States, but fewer than 8 percent of Ohio oenophiles buy local vintages like Wyandotte Winery's Seyval Blanc '85 or Chalet Debonne's Johannisberg Reisling '86. Instead, connoisseurs along the Cuyahoga figuratively clink their

glasses and muse, "We'll always have Paris. Napa, at least." Determined to upgrade the reputation of Ohio wines, Meldrum & Fewsmith, a Cleveland agency, called on Andrzej S. Osiatynski, its account planning director, who joined the agency in

The qualitative-

developed in

research concept

January. His role in creating a campaign for the Ohio Grape Industries Program demon-strates the use of account planning — the qualitative-research concept developed in Britain that American agencies are beginning to adopt.

Britain is catching on "When we were pitching the account, instead of just using the quantitative data, we did in the U.S. in-depth interviews to understand people's expectations and feelings about Ohio wine," said Mr. Osiatynski, 37, a native of Poland. He learned planning at Ogilvy & Mather in New York,

one of the few large American agencies to use it.

Although he conducted only 15 interviews, several consistent themes emerged. For example, Ohioans displayed deep feelings when they discovered that their state actually had a wine industry, a response Mr. Osiatynski called "local patriotism." But Ohioans were also skeptical about the quality of the state's wine. Indeed, the in-depth interviews showed that consumers would not believe the flavor of Ohio wine could compare to French and California wine. Humor might be the best way to deal with this, the ad agency decided. So it created ads with people from out-of-state making fun of Ohio wine — and appearing foolish in the

In one ad, a bubble-brained girl exclaims to her equally vacant male companion, "Ohio is like a soybean subculture!" When she mentions that the label on the wine she's drinking reads, "Lake Erie Delaware 1986," he laughs hysterically and exclaims, "Oh please, Lake Erie? Like I hope they got the fish out."

A California company says its plan to begin national magazine advertising for its stop-smoking system has been stymied by the refusal of Time, Newsweek, Sports Illustrated, Life and US magazines to take its advertising. Spokesmen for several of the magazines said the refusals had not been caused by a fear that tobacco companies would react negatively.

Advantage/Quik-Fit had wanted the promotion to coincide with the Great American Smokeout, the American Cancer Soci

ery's annual antismoking campaign, held last week. The company sells Cigarrest, a stop-smoking system, with cassette tapes to help modify behavior and a drug that reduces the craving for nicotine.

Jerry J. Siano, the chairman of N.W. Ayer USA, and Burger King have denied that the agency is on the verge of losing the troubled \$200 million account.

The fast-food company stated from its Miami headquarters that Ayer will continue to create advertising and place media. But, it said, "We are looking at the option of utilizing another agency to develop new creative.

In recent weeks, Burger King franchisees have grown increasingly vocal about their displeasure with the advertising and with the management of the chain by its corporate parent, Pillsbury Co., which is fighting a takeover attempt by Britain's Grand

**Currency Rates** 

30-day 1,8249 120,90 1,7134

United States

1,8240 120,49 1,7070

de Paris (Poris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (d (ruble), Other duta from Reuters and AP.

Swiss Press Ab-4/2 4/2-4/5 4 Yb-4 Yb

6V2 10,80 8,5/16

315 5.88 4.25 4.70 4.70 4.75

7% 7% 7 15/14 8% 8 3/16

**Interest Rates** 

Sterling 1124-1173 1124-1176 124-1244

French Frenc 7 % 8 % 7 % 8 % 8 % 8 %

Source: Merrill Lynch, Telerate.

**Gold** 

419.82 418.85 418.86 417.25

# Lloyds, **Abbey** Try Again Merger Altered to Satisfy Holders

LONDON - Abbey Life Group PLC said Tuesday that it had agreed with Lloyds Bank PLC on a revised plan to give Lloyds a controlling stake in the British insurer, creating a powerful banking and

insurance group. The new plan requires a lower rate of stockholder approval and pays a higher dividend to Abbey stockholders than an original £1.15 billion (\$2 billion) agreement, which failed to secure sufficient support from the stockholders earlier this month.

The new plan's value is about the same as the other, and Abbey Life would acquire the same five personal finance units of Lloyds that were proposed earlier.

The group would acquire the businesses in exchange for 380 million Abbey Life new ordinary shares, or 57.6 percent of its en-larged capital. Lloyds would retain control of the units through its proposed majority control of Abbeyand would absorb Abbey's capital

The deal would exeate a new company, Lloyds Abbey Life PLC. But the new deal would require only 50 percent shareholder approval, rather than the 75 percent legally required for the previous scheme. The original plan only re-ceived 64 percent backing from Abbey shareholders.

An Abbey Life spokesman said the new proposal would need a lower rate of shareholder backing because the proposed status of Lloyds Bank representatives on the Abbey Life board had been

"Essentially the proposals are the same," said Allan Nichols, an insurance analyst with James Capel & Co. in London. "But the whole thing is being put forward as an ordinary resolution, which needs only a 50 percent majority, while some elements of the earlier proposal were special resolutions reuring 75 percent approval.

"Because they received more than 50 percent approval last time. Abbey realized that onus was on them to find a way to implement the package in new form."

Abbey Life said the new propos

als also include increased dividends from Abbey, making it more attractive to shareholders.

The life insurer intends to pay a final 1988 dividend of 9.9 pence (18 cents) per share, making 13.5 pence for the year, which is up 32 percent. 15 pence per share at the same time

The proposed 1988 dividend of 13.5 pence per share compares with the earlier forecast of 12.75 pence. The proposed dividends are subject to completion of the merger with Lloyds Bank.

Yen 1,6036 9,296 1,6225 222,615 10,569 121,275 4,8635 1,1142

4,772 ° 64,125 35,441 34,923 9,1621 1,23179 4,8161 °

Per \$
2280.09
1.5432
5.00
4.52
20.79
143.00
1.7518
1.9435
690.80

Shares in Abbey rose 26 pence to 294 pence Tuesday afternoon in London, helped by the news of the higher dividend. (Reuters, 1HT)

# \$210 Million Missing at Greek Bank

ATHENS - More than 30.3 billion drachmas (\$210 million) ismissing from the Bank of Crete, whose former director George Koskotas is on the rim, wanted for embezziement and fraud, the bank uditor said Tuesday.

In his 25-page report, Spyridon Papadatos said he was still working to verify all the bank's accounts and investigations would continue. Mr. Koskotas, the Greek press baron and financier, has not been seen since Nov. 6 and is believed to

have appeared in court Nov. 14 to face a number of charges of forgery and embezziement in connecti with the bank and his business em-According to the auditor's report, the Bank of Crete's deficit at

the end of the year will be about 33.4 billion drachmas. The case has thrown the Socialist government into a major controversy, with some opposition politicians accusing the ruling party of facilitating Mr. Koskotas's escape

his alleged financial transactions with members of the party. The report alleged that Mr. Kos-kotas had put 20 billion drachmas into other business concerns, in-cluding his publishing company, Grammi. A further 10 billion

to avoid further revelations about

drachmas was not accounted for. The Bank of Crete was the country's 13th-ranking bank in 1986 and was controlled by Mr. Kosko-tas until Oct. 19. A temporary administrator was then appointed to verify the accounts, since the bank was on the point of being sold.

The auditor said the bank's written records for 1986 and 1988 "did not correspond to reality." The books for the period Jan. 1-June 21 this year had been redone in the



At Yugo dealerships in the United States, slow sales have meant heavy new-car inventories.

# The Yugo: Success Story Turns Sour Image Problems Undercut U.S. Sales Despite Low Price

'87 '88

viding financial incentives and multiplying dealerships. Their optimism did not last long. Because they failed to de-

liver the promised improvements

in engineering and design, un-

Yugo America's experience

shows how elusive success can be

for any new car venture in the United States.

"The car business is demand-

sident of Yugo America. "But

ing," said Dan Prior, senior vice

the U.S. market is the fiercest,

toughest around. It's also the

most lucrative. Our mistake, in

By Doron P. Levin New York Times Service NEW YORK -- The squat little Yugo from Eastern Europe was never intended to tempt the buyers of racy sports cars or leather-trimmed luxury sedans. That was not the point. Rock-

bottom price was, These days, however, even the lowest price in the land is not attracting many buyers.

Only three years after the in-troduction of the Yugoslav car in the United States at a price of \$3,990, retail sales have plum-

The 300 Yugo dealers in the United States are stuck with a large inventory of unsold cars, while more highly regarded, lowpriced competitors from the Far East are crowding the market niche that the Yugo sought. The Yugo started strongly de-

spite the views of auto experts that it was a shoddy product and predictions that it could not survive. Many drivers said they liked the price even though the quality was not high.

As a small importer, Yugo America Inc. quickly increased sales from fewer than 400 cars a month in September 1985 to more than 5,000 a month a year and a half later. Last year Yugo executives de-

cided to shoot for a 50 percent rise in sales by increasing imports of improved models, proSagging Sales Of the Yugo ning, is going to cost the company some money, but isn't a long-Monthly sales, in thousands, since the car's introduction in

term threat,"
Nevertheless, Yugo's parent
company, Global Motors Inc. of Upper Saddle River, New Jersey, ousted its president and chief executive, William E. Prior, two weeks ago, and is searching for a

The company, which is look-ing into other car-import ven-tures, declined to elaborate on Mr. Prior's departure. Dan and William E. Prior are brothers. The survival of Global Motors may now depend on how quickly the importer can revive sales. trim inventory and offer new models with features, like auto-

matic transmissions, that most American consumers demand. Financial information about the company is sketchy because it is privately held, but it is clear that the lack of incoming cash is a problem and Global Motors is trying to raise new capital quick-

"We've been selling up.
"We've been selling the same
car for three years," said Robert
Loehr, a dealer in Kalamazoo, In May, Malcolm Bricklin, the lamboyant entrepreneur who founded the company, sold his controlling interest to a group headed by Mabon Nugent & Co. New York investment bank, in a \$40 million transaction that injected \$20 million of new capital into the company.

But the Mabon Nugent group,

See YUGO, Page 18

# **Faster Growth** In U.S. Prices Causes Concern

Compiled in Our Staff From Dispatches WASHINGTON — Consumer prices in the United States rose 0.4 percent in October, the government reported Tuesday, a bigger-than-anticipated rise that revived fears of an upsurge in inflation.

The latest increase in the consumer price index, which was adjusted for seasonal variations, brought the inflation rate so far this year to 4.6 percent, the Labor De-

Stripping out costs of food, housing and energy from the index, the inflationary gauge rose by a steep 0.7 percent in October. Most economists had looked for

seasonally adjusted 0.3 percent increase in the overall index for October, after a 0.3 percent gain in September. Some said the latest report could produce pressure for an increase in U.S. interest rates. The price acceleration would be

nodest in itself, but coming quickly after other strong econor ports, the statistics could reinforce fears that the economy is entering an inflationary cycle.

"I think the basic message is that inflation is still solidly in place," said Robert Dederick, chief economist for the Northern Trust Co. of

Chicago.

The rise was attributed to a broad array of components, spearheaded by a 1.8 percent jump in apparel prices that came after a 2 percent rise in September. Some economists said the rise in clothing prices came after four months of declines, and would probably not

But others said the rise in clothing prices is tied to the weakness of the dollar, and for that reason might continue.

Lacy Hunt, chief economist at CM & M Inc. commented, "Since the beginning of September, the dollar has dropped 10 percent, and not all of those prices have been passed through to the consumer by any means.

Energy prices, a volatile component in every inflation report, edged up only 0.1 percent in Octo-ber after falling by 0.6 percent in September. Economists generally believe oil prices will move lower for the next several months, taking

an edge off the inflation rate, while leaving the underlying rate of infla-

 tion cresping upward.
 The rise in consumer prices adds to the case for a tightening in Federal Reserve monetary policy, but will not push the central bank into

immediate action, economists said. "I don't see this report as being decisive, but it's another piece of evidence that inflation is a problem that has to be addressed," said John Paulus, chief economist at Morgan Stanley & Co. "It's just a question of when."

Anthony Karydakis, economist at Mitsubishi Bank, said the slight acceleration in October inflation was primarily due to apparel, without which the price index would have been neutral. But he saw the Fed moving rates higher in con

# U.S. Economy Seen Growing At 3.5% Rate

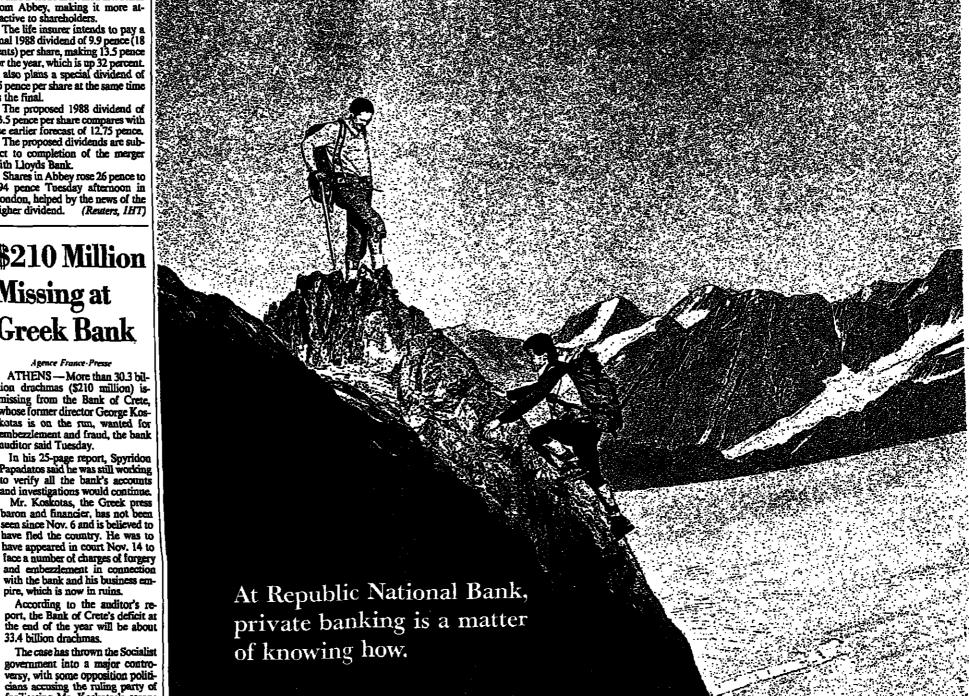
. The Associated Press WASHINGTON - The U.S. government on Tuesday forecast robust 3.5 percent growth in the gross national Product next year.
The prediction for growth in

total output of goods and services is 1.3 percentage points higher than the consensus view of many private economists, who see sluggish GNP growth

of 2.2 percent in 1989.

If the private forecasts are correct, it would mean that the budget headaches facing President-elect George Bush will worsen in his first year in office, as government programs would have to be trimmed to make up for reduced revenue. Beryl Sprinkel, chairman of President Ronald Reagan's Council of Economic Advisers, defended the forecast.

"I don't want to be accused of making the final forecast of the Reagan presidency too rosy," Mr. Sprinkel said.



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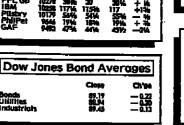
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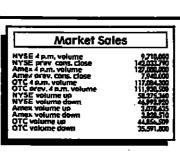


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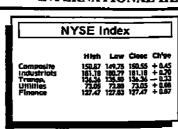
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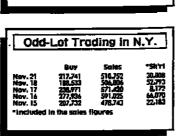
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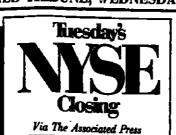
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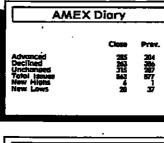




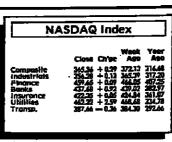


Dow Jones Averages

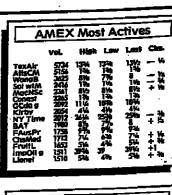
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NAS	DAQ Diary	
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AMEX Stock Index LOW Clase

# Sts. Class Div. Yid. PE 180s High Low Quot. Chiga N.Y. Stock Prices Move Higher

NEW YORK — Stock prices closed broadly higher Tuesday in slow, choppy trading on the New York Stock Exchange, as bargain hunters took advantage of the market's undersold con-

gained 9 cents.

gained 9 cents.

Advances narrowly outpaced declines. Volume on the Big Board totaled about 127 million shares, compared with about 120.4 million shares traded Monday.

"There's a lot of apathy in the market," said Edward Shopkorn, a partner in charge of institutional equities at Mabon, Nugent & Co.

"Interpret enter any higher they they make the

"Interest rates are higher than they were two weeks ago," he said. "Oil prices are higher." And those things "not good for the stock mar-

caused by bargain hunters taking advantage of the market's undersold condition. He added

the market's undersold condition. He added that the Thanksgiving holiday on Thursday was keeping many players on the sidelines.

The Labor Department said Tuesday that U.S. consumer prices rose 0.4 percent in October, more than expected, on sharp increases in the costs of clothing, automobile insurance and

auto financing.
While most economists had looked for a Div. Yld. PE 108s High Low Qual. Chase

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seasonally adjusted 0.3 percent increase for October, the increase, modest in itself, came on the heels of other strong economic reports, and helped to raise fears that the economy is entering an inflationary cycle.

ligher consumer prices, combined with the

The Dow Jones industrial average, which rose other reports showing a robust economy, could prompt the Federal Reserve to raise interest rates, some analysts said.

Broader market indexes also advanced. The NYSE composite index rose 0.45 to 150.55.

Standard & Poor's 500-stock index rose 0.99 to close at 267.21. The price of an average share sained 9 cents. overnment report, as well as the weaker dollar, igher interest rates and the budget and trade

Mr. Dorr said worries about underlying economic issues have already led most investors who wanted to sell their stocks to do so. As a result, he said, "the direction should be on the upside over the next couple of days."
In NYSE trading Tuesday, Sonat Inc. was the most active issue, off 1/4 to 271/4. The stock goes

most active issue, off % to 27%. The stock goes ex-dividend Wednesday.

RJR Nabisco followed, off % to 85%. Tax experts said the record \$26.8 billion proposal for RJR Nabisco Inc. by an investment group headed by First Boston Corp. hinges on a tax provision that could save the buyer about \$400 million a year in interest payments.

Hearting Corp. of America was third off 3%

Hospital Corp. of America was third, off 3% to 43. HCA's board of directors have agreed to sell the company for \$3.6 billion to a manage-

AT&T was up 1/2 to 281/2. IBM was up 11/2 to 

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GATX 189 15
GEICO 1.44 1.4
GEO GF Cp

35% 35% 35% 35% 35% 35% 13% 25% 16% 10% 16% 16% 16% 16%

48 24 11 1333 1.370 93 18 220 52 11 16476

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# Total of France Seeks Norwegian Oil Holding

OSLO — The Norwegian subsidiary of Compagnie Française des Pétroles, known as Total, said Tuesday it planned to spend around 950 million kroner (\$144.3 million) to buy almost one-third of the Norwegian oil firm, Saga Petroleum A/S.

the move if it decides that foreign interests should not be allowed to control Norway's biggest private oil company.

Total, which already holds 5 percent of Saga, said in a statement that it had agreed to buy a 30 percent stake from two major Norwegian share-holders. It will buy Den norske Creditbank's 10 percent stake and the 20 percent holding of Aker A/S.

Aker said it sold its stake for 639 million kroner, while Den norske said its sale was for

around 320 million kroner.

The deal must be approved by Norway's authorities, since total foreign ownership in Saga will increase to 60 percent, double the level permitted currently for the company under Vorwegian law.

Saga earlier this month rejected an offer to merge with the Norwegian unit of the French oil

group, Elf Aquitaine.

"I cannot see that the Oil Ministry would object to this transaction," said a ministry spokesman, Egil Helle. "We know Total as a highly competent company."

But it must also be approved by the Industry

Ministry and Saga's board. Some observers said that recent criticism of Saga, Norway's third-largest oil company after state-run Statoil and the 51 percent state-owned Norsk Hydro, may have paved the way for

The company, which expects this year's profits to be slashed to one-third of last year's level,

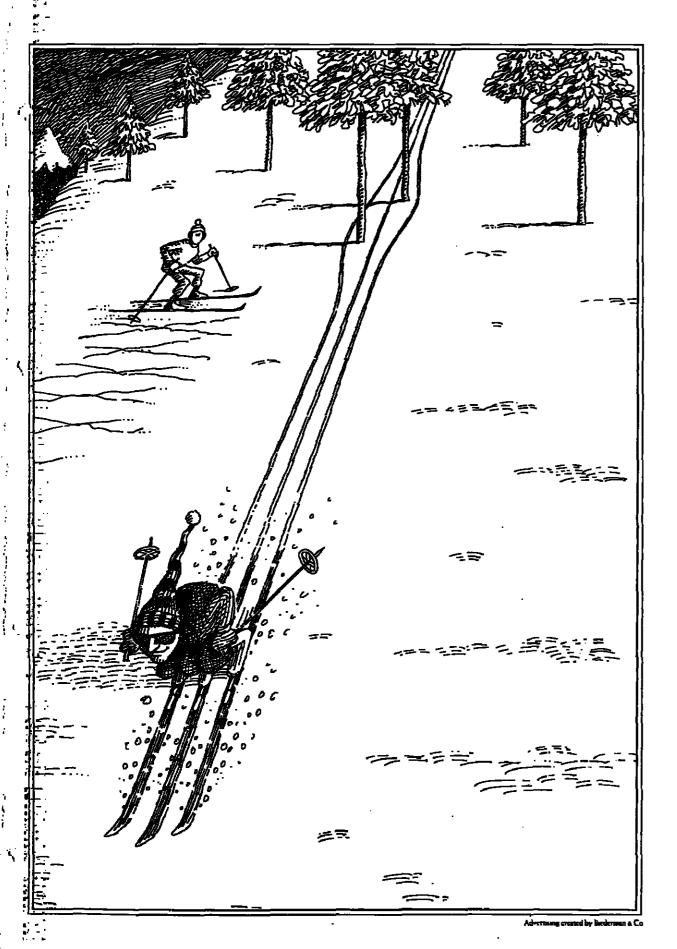
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# Drop in Price of Metals Is Predicted Next Year

LONDON — Prices of key nonferrous metals, many of which hit record levels this year on strong demand and tight supply, will probably fall next year, the Economist Intelligence Unit said Wednesday.

Some metals could fall by as much as 20 to 30 percent, the research unit said in a report. But it ruled out a price collapse to the depressed levels of the mid-1980s "because producers have been cantious about expanding or reopening capaci-

The report indicated that production of all leading nonferrous metals — copper, aluminum, tin, nickel, lead, zinc and silver — will



# CORPORATION RIGHT UNDERPINNING CAN PROCEED UNFLINCHINGLY, COME WHAT MAY.

Around Emhart Corporation, we talk about the new line of business we've gone into recently as our third leg.

Which is one leg more than we had a year ago. Better underpinning to surmount obstacles and pick up speed.

and Electronic Systems. And when you think about it, adding this leg to Emhart was an alpine feat, itself. You see, Emhart was going along as a stable,

successful manufacturing company, doing nearly \$2 billion a year in sales. But not especially glamorous. Well, by plunging into high technology, we transformed Emhart into a very different company. One with prospects for much quicker growth.

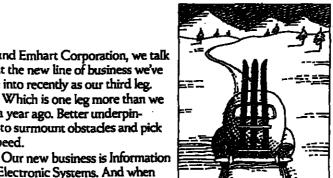
And higher profitability.

# THE NEW LEGWORK

Our first high-tech acquisition was a Virginia-based company, Planning Research Corporation, which provides computer-based services for business and government.

Then, earlier this year, we announced the acquisition of a second computer-based operation, Advanced Technology, Inc., whose customers include everybody from the Department of Defense to the Social Security Administration.

Together, these two vigorous, entrepreneurial companies have about \$700 million in revenues.



# MORE OF THE SAME

Meantime, we've divested some of our old companies, streamlining our original two businesses to the point where they will do a lot better, too. One is industrial products,

where we manufacture everything from bottle-making machinery to electronic components.

The other is a lot of consumer products, from Pop<sup>a</sup> rivets and Molly<sup>a</sup> bolts to our True Temper<sup>®</sup> line of lawn, garden tools, and golf shafts. Also, KWIKSET <sup>®</sup> locks.

These two venerable Emhart businesses will continue to furnish us with a very nice cash flow, thank you.

Which (among other things) will give us the wherewithal to continue expanding our new hightech, third leg.

# THE NEW EMHART SIGNS IN

Since we're altering so much else at Emhart, it seemed only fitting to change our corporate signature, too. So at the bottom of this page you will see the spirited new signature, or logo, we've adopted.

Notice that it leans forward ever so slightly, as if it's just a little impatient to get on to other, bigger

things.
Well, that's the way we feel these days. Ready to scale new heights, as any three-legged skier would surely understand.

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**EMHART** A GREAT NUDGE FORWARD

# YUGO: Low Prices Fail to Overcome Image and Engineering Problems

following steep financial losses at Global Motors in recent months, is secking new capital and is willing to sell all or part of its interest or take on a partner, Mr. Prior said. Officials at Mabon Nugent de-

the inventory of unsold Yugos stands at about 13,000, a four to five-month supply at current sales levels. A two-month supply is regarded as comfortable in the indus-

ined to be interviewed. In a sign of just how grim fi-Potential investors who asked to nances have become, Global Mocmain anonymous said they had tors has been talking about a \$34

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Avis aux Actionnaires Convocation

us vous prious de bien vouloir assister à l'Assemblée Générale nire de "ECU MULTIPLACEMENT", Société d'Investissement : d Variable, qui sena tenue su siège social. 10A, Boulevard Roya

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Pour le Conseil d'Admin

will be featured in a special news

report, prepared by the editors of

the International Herald Tribune. It

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et qui aura l'ordre du jour suivant:

Recevoir et adopter le rapport de gestion du Conseil d'A

said Chris Cedergren, senior auto-motive analyst for J.D. Power & Associates of Agoura Hills, Cali-Undoubtedly, the rising tide of company so far has failed to communicate that message to consum-

"The bottom line is that the Yugo doesn't have a very positive image in the marketplace," Mr. Cedergren said. "On the plus side, there definitely is a market for the car. They have a sleeper if they can convince the public they can main-

tain adequate quality levels." When the Yugo first appeared in late 1985, it gained widespread attention partly because of Mr. ported the tiny Subaru 360 to the United States, a car sharply criticized by consumer and safety advo-cates, and had built a gull-wing sports car, which flopped because of linancing and manufacturing

With characteristic hyperbole, Mr. Bricklin vowed to make the Yugo another Volkswagen Beetle
—a simple, low-cost vehicle for the

Consumer Reports, a U.S. maga-zine that rates new car models, panned the car, calling it a "barely ssembled bag of nuts and bolts."

The magazine suggested that buyers could better spend their money on a used car. Federal safety egulators gave the car low marks n a 35-mile-an-hour (55 kilometerut-hour) crash test. Early buyers complained about problems ranging from anemic power to difficulty n starting on cold mornings.

So the skeptics were surprised when sales grew steadily through-out 1986 and much of 1987, proving Mr. Bricklin was right about an

Although it is serious, Global tors made 250 design changes and Motors' position is not hopeless, said it was improving quality, de-

Associates of Agoura Hills, California. Yugo's quality and reliability have improved, he said, but the company so for hes failed to company so failed cut deeply into Yugo's sales.
The Hyundai Excel, of which

more than 200,000 were sold in 1986, cost only \$1,500 more than the Yugo and received top ratings from Consumer Reports.

Chrysler Corp. also joined in with a stripped-down Omni Horizon compact that sold for less than

Since the debut of the Yugo, the market for low-cost subcompacts has grown to 500,000 cars annually. While European drivers generally are satisfied with manual stick-shift transmissions, many American drivers do not know how to use

But the original Yugo car body, built in Kraguvec, Yugoslavia, proved too small to accommodate any known automatic transmi without an extensive, costly redesign. Yugo has now completed the redesign, its vice president, Tony Ciminera, said, but has yet to conclude an agreement to buy trans-

Yugo hopes to introduce by Jan-uary a convertible model called the GVC Cabrio, which will sell for about \$8,300. By the end of 1989, the company

will replace the Yugo carburetor with fuel injectors, Mr. Ciminera said, increasing power and making the engine easier to start.

And by the end of next year, Global Motors hopes to be selling an all-new Yugo, code-named the 103. It is designed by Giugaro, the Italian company that has designed several sleek European sports cars. In Europe, the model will be called

The company said its current profitability and inventory difficulties stemmed from the decision last year, in anticipation of new models and automatic transmissions, to import many more cars from Yugoslavia. The goal was to increase retail sales to 70,000 a year, from about 48,000.

But when it became known that the automatic transmissions and new models would not be ready in time, the company's top officials decided to import the cars anyway, a decision that Mr. Prior said was a

Although it is not clear who made the decision. Mr. Bricklin acknowledged that he was a direct financial beneficiary of it, since he was entitled to a royalty on every Yugo imported into the United States and owned an interest in the shipping company that carried them. He said, however, that the franchise's problems were due to "slow sales, not imports that were

# **U.S. Futures** Via The Associated Press

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# **Forward Deals** In the Malaysian Ringgit Curbed

KUALA LUMPUR - Bank Negara, the central bank, has or-dered commercial banks to halt forward trading in the Malaysian ringgit in a bid to reverse its slide, foreign exchange dealers said Tues-

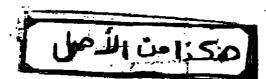
They said that the indefinite sus-pension was ordered Monday. It was the first since 1985, when rumors of a devaluation triggered a major slide in the ringgit.

"We are not allowed to quote ringgit forwards for offshore banks like those in Singapore and Hong Kong, which speculate in the ring-git," a dealer said.

Dealers said that there was evidence of massive central bank intervention to prop up the ringert, which had strengthened from 2.69 to the dollar late last week to 2.64 in spot deals Tuesday.

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# LTV Taking \$2.26 Billion Charge for Benefits

By Thomas C. Hayes New York Times Service

DALLAS - LTV Corp. has said that it will take a special charge of \$2.26 billion against its net worth to reflect the estimated accumulated costs of health and life insurance benefits promised to retirees through last December.

LTV, parent of the second-largest steelmaker in the United States, said Monday that it had a \$1.24 billion loss in the third quarter, partly as a result of the charge, which has been spread over the first nine months of the year.

In the quarter, LTV also took \$1.34 billion in write-downs and in special charges related to its Chapter 11 bankruptcy proceedings.

A company spokesman, Charles M. Palmer, said the company recently completed an evaluation of 32,000 legal claims filed against it, mostly from creditors. Battered by the accounting

change, LTV's net worth has fallen to a negative \$5.3 billion, meaning that its liabilities exceed its assets by that amount.

But James F. Powers, senior vice president for finance, said the decision had no effect on the company's cash position and should not affect its bankruptcy negotiations

LTV said it would have earned

\$132.2 million in the third quarter if it had not taken the special

Public companies typically do not include the estimated health and insurance costs for retirees in their financial statements.

However, the Financial Accounting Standards Board, which makes the accounting rules for publicly traded companies, is expected to require such disclosure by 1992, and LTV indicated that it took the move now because it anticipated the rule change.

recognize all the costs immediately, as LTV has done, the standards board will permit companies to average the costs over 15 years.

Still, many companies have argued that the rule is too drastic and will bite heavily into the net worth of the American industrial base. An official of the standards board, Diana J. Scott, said that the board planned to issue a preliminary order early next year that covers the proposed new guidelines for

recognizing the costs of post-retire-ment health benefits of public companies for their employees and retired workers. Companies in basic industries, including steel, automobiles, and

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception. The marginal symbols indicate inequency of quotations supplied: (d) daily; (w) weekly; (b) bi-monthly; (r) req

plans.

Analysts said that reflected labor contracts dating from the indus- cost estimates for the benefit protries' more prosperous times in the grams in a preliminary reorganiza-

The General Accounting Office LTV is spending \$120 million a recently estimated the total such year on health care and life insurcommitments for all U.S. compa- ance for its retirees, with no cap on nies at \$221 billion, but some esti-

mates run as high as \$1 trillion. exceptionally large number," said quarter. Ms. Scott, who directed the FASB Ms. Scott, who directed the FASB rule-making effort. "That's all the Benefit Guaranty Corp., has asked

ported in financial statements." LTV, which has 48,000 employmidst of one of the nation's largest lion of the company's unfunded corporate bankruptcy reorganiza- pension claims. tions, which began in July 1986.

Mr. Powers said the company decided to recognize all the health-benefit costs immediately because it wanted to take a full reading of the bankruptcy reorganization.

Wheeling-Pittsburgh Steel Corp., the nation's eighth-largest steelmaker, made a similar adjustment last year, amounting to \$149.7 million.

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retirement health and insurance 11,200 retirees and 6,500 workers Its Forecast on its payroll.

Mr. Powers said LTV included tion plan announced last May.

German heavy industrial group, the expenses. said Tuesday that it might record a pretax loss of up to 100 million Deutsche marks (\$57.9 million) this The company said it held \$788 There is no doubt that this is an million in cash at the end of the

Instead of forcing companies to more reason why it should be rethe U.S. Court of Appeals for the 2nd Circuit in New York to overturn a lower court tuling that the ees and 70,000 retirees, is in the federal agency must pay \$2.2 bil-

> The company has offered to set-tle the dispute for \$1 billion, according to published reports.

LTV executives asked the bankruptcy court in Manhattan on its accumulated liabilities during Monday to extend its deadline for filing a final reorganization plan to April 2, from Dec. 2

The estimated earnings of \$132.2 end the year with positive results.
On Monday, a Krupp spokesmillion if the charges had not been taken were above the profit of \$109.7 million in the year-earlier Wheeling-Pittsburgh, which has period. Sales for the third quarter industrial plant construction, the chemicals, are generally expected to have the largest commitments on reorganization since 1985, has from the quarter a year ago.

# Krupp Shifts

Krupp had said Monday that it

expected to break even in 1988.

Last year, Krupp's net profit sank sharply to 42 million DM, from 126 million DM in 1986.

Krupp attributed the expected

1988 result to a loss in its business

that handles construction of steel,

cement and chemical plants. It said

the loss was "considerable" but did

not give a figure. The business had

a loss of 160 million DM last year.

Krupp's overall debt should not be

affected, and that five other divi-

sions, including machine construc-

tion, electronics and trading, would

man had said that because of good

results from businesses other than

company expected to break even in

The spokesman identified the inprofitable operations as Krupp

Industrietechnik GmbH, Krupp Polysius AG and Total Walther

On Tuesday, Krupp said that revenue in the first nine months

rose 3 percent from the year-earlier figure of 9.8 billion DM. The company said all sectors, except industrial plant construction, contribut-

It said it expected total 1988 revenue of 14.6 billion DM, marginally up from 14.1 billion DM in 1987.

Krupp GmbH is 70 percent con-trolled by the Alfred Krupp von

Bohlen & Halbach Stiftung, a char-

The other main stockholder is the Iranian government. Iran has a

25.01 percent stake that market ru-

more have said it is trying to sell

because of the company's disappointing results.

Berthold Beitz, 75, the chairman

of Krupp's supervisory board, said

in September that he would soon

step down, and suggested that Krupp consider becoming a public-

ly quoted company.

Also Monday, the former managing director of the Krupp Stahl

AG steel subsidiary was charged

with fraud, the economic section of the prosecutor's department at Bo-Alfons Gödde, 59, resigned in

June 1986 and has been on bail for

the past year. A former member of

the board. Werner Resch. 52, and an unidentified senior purchasing

manager have also been charged.

(AFP. Reuters)

Feuerschutz GmbH.

ed to the growth.

itable foundation.

A statement Tuesday said

and audio equipment manufacturer, said Tuesday that after-tax net profit rose 99 percent to 5.9 billion yen (\$48.1 million) in the first six months of the fiscal year ending Sept. 30.

Victor also said that it expects a parent net profit Compiled by Our Statt From Dispatches ESSEN, West Germany -Fried. Krupp GmbH, the West

March 31, compared with 5.6 billion year for the year ended March 20 this year, The company is changing the end of its fiscal

year to March 31. totaled 308 billion yen, up 9 percent over sales year.

Profit Increased 99% for Victor in Half TOKYO — Victor Co. of Japan, the major video and audio continuent attention to the major video attention a

They attributed the profit increase chiefly to efforts to cut production costs.

For the year, Victor expects a current profit of Victor also said that it expects a parent net profit of 5.1 billion yen in the six months ending next March 31, compared with 5.4 billion to 5.4 billion yen against 578.90 billion. Earnings per share are seen at 21.39 yen against 23.48 and the dividend is forecast at 6.25 year against 12.5 yen.

The comparative period is for the year ended Sales in the first half of the current business year March 20, 1988, because of the change in fiscal

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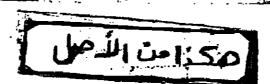
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# Dollar Sinks Despite Intervention

NEW YORK — The dollar fell Tuesday, extending declines set in Europe despite repeated intervention by central banks.

Two rounds of dollar purchases for yen by the Bank of Japan in Tokyo and at least three by the Federal Reserve Board in New York failed to halt the currency's

stide, dealers said. The intervention began after the dollar dropped Monday following remarks by President-elect George Rush expressing continued opposition to tax increases to reduce the

U.S. budget deficit That deficit, and the U.S. trade gap, are key sources of concern in

The dollar is inherently weak," said Stuart Frost of National Westminster Bank. "It may be a bit unfair of the market to expect anything so soon from the presidentelect, but it still wants reassur-

The dollar fell to 121,275 yen at the close in New York, from 121.925 on Monday, while it dropped to 1.7188 Dentsche marks from 1.7283 DML

The British pound advanced to tors to represent the executive touched on Jan. 4 in the shadow of \$1.8235, while the branch during his first day on the the 1987 crisis in financial markets. U.S. currency fell to 1.4458 Swiss job. (Reuters. AP)

**London Dollar Rates** Destricte mark Pound sterling Josephuse year Swiss trape French franc 1.7205 1.8320 121.35 1.4473 5.8650

francs from 1.4553 and to 5.8760 French francs from 5.9080.

In Tokyo, market sources said the Bank of Japan bought dollars for yen heavily at around 121.65 yen during morning trading, and again in the afternoon at 121.75.

In New York, the Fed intervened at least three times, dealers said, also buying dollars for yen at around 121.75, again at 121.55, and finally, shortly before the close, at 121.30 yen. But the scope of the intervention appeared to be small.

Mr. Bush told a gathering of Re-publican governors Tuesday in Point Clear, Alabama, that he considered the deficit a pressing problem and would "work constructivewith Congress. He said he anned to name budget negotia-

But George DeLuna, a vice president and trader at Irving Trust Co., said, "The market is looking for something more specific," and without that, the dollar would remain weak

In London earlier Tuesday, the dollar fell despite renewed efforts by the U.S. and Japanese central banks to support the currency in what amounted to a marketplace battle with speculators, who were anxious to dump the dollar on fears about the U.S. economy.

European central banks, which joined in efforts to stabilize the dollar last week, stayed out of the market this time.

Partly as a result of their ab-

sence, the dollar fell to 1.7205 DM at the London close, from 1.7265 on Mooday, and to 121.35 yen from 121.90. The pound rose to \$1.8320 from \$1.8250, while the dollar fell to 1.4473 Swiss francs from 1.4524 and to 5.8850 French francs from

The dollar, down 10 percent since the summer, is close to a his-toric low of 120.20 yen that it

# **Mulroney Win** Lifts the Level Of Currency

TORONTO - The Canadian dollar rose sharply Tuesday after the election victory of Prime Minister Brian Mulroncy's Conservative party en-sured passage of Canada's free-trade agreement with the

United States. In New York trading on Tuesday, the Canadian dollar closed at 79.99 U.S. cents, up from 79.20 cents at the close

on Monday. The free trade agreement with the United States which was opposed by the Canadian opposition — is generally regarded by the markets as a positive development. It is now ensured to become law in January.

# U.S. Investigates Japanese Construction Barriers

By Clyde H. Farnsworth

WASHINGTON - Under orders from Congress, the U.S. trade representative, Clayton K. Yeutter, has begun an investigation of

Japanese practices that might bar American contractors from access to Japanese construc-The investigation, which could last up to a year and could lead to the imposition of puni-

tive duties against imports from Japan, was required under the Omnibus Trade and Competitiveness Act of 1988, signed by President Ronald Reagan on Aug. 23. The move was announced without comment

by Mr. Yeutter's office on Monday and came

only days after Mr. Reagan had cited Japanese construction contracts as an area in which the United States was making progress on trade The administration had opposed the provision mandating the investigation but did not

consider the issue important enough to warrant a veto of the sweeping trade legislation, which contained many provisions that the administration had sought.

The administration had already worked out

The agreement was intended to make it easier for American contractors to participate in 14 Japanese construction projects on which a total

of \$17 billion is to be spent. Although Mr. Yeutter's office played down Monday's action, it begins a formal process that will give the construction industry and other parties a chance to press the incoming Bush administration for retaliation against Ja-

pan if contracts are not forthcoming.

At a hearing Sept. 28 before a subcommittee of the Senate Foreign Relations Committee. industry representatives said the May pact had not yet produced any contracts for U.S. compa-

Mark G. Chalpin, vice president of government and international affairs for the National Constructors Association, which represents large American contractors, said there are still no Japanese contracts for American compa-

He added that there also have been "no changes in the actions and attitudes of Japanese owners in the construction industry to indicate a true opening of the Japanese construction

The American industry has accused Japanese contractors of collusion and bid-rigging and of an agreement with Tokyo, signed May 25, that established changes in bidding procedures. ostracizing Japanese subcontractors who try to work with American companies.

Japan awards nearly \$300 billion worth of construction contracts annually, second only to the United States, where contracts total about \$400 billion a year.

In Tokyo, construction industry officials reacted calmly to news of the investigation. The investigation is just a routine procedure," said  $\pi$ spokesman for the Japan Federation of Con-

struction Contractors, Reuters reported. "We have been making due efforts to open up the construction market for foreign firms," the spokesman said. "The investigation will certainly prove the openness of the Japanese

The dispute over construction contracts goes back to the mid-1980s and gained considerable momentum from Japan's refusal to allow American participation in building the giant Kansai international airport near Osaka.

On five occasions, the Reagan administration's trade policy review group, a sub-Cabinet panel of deputy officials from various agencies. voted to recommend to the Cabinet-level Economic Policy Committee that an unfair trade investigation be opened on the construction

Each time the recommendation was over-

# Oil Markets in Disarray on Iranian Remark

Compiled by Our Staff From Dispatches VIENNA - The Iranian oil minister, Gholamreza Aqazadeh, on Tuesday rejected any OPEC production deal that would allow Iraq to pump the same amount of oil as Iran, throwing world oil mar-

kets into disarray.

The minister's comments appeared to dash hopes that had been building during a day of frenzied behind-the-scenes bargaining in Vienna that the 13-nation Organization of Petroleum Exporting Countries was on the verge of clinching a deal to rein in overpro-

Earlier in the day Rilwanu Lukman, the OPEC president, had rated the chances of success as good, and told reporters he was "very optimistic." A sudden and dramatsur surge of optimism then swept

Vienna and the price of oil on will never concede to parity." world markets soared by almost \$1 per barrel.

But Mr. Aqazadeh's uncompromising statement on Tuesday eve-ning caused what dealers described as "pandemonium" in futures trading on the New York Mercantile

The December contract for West Texas Intermediate, the benchmark U.S. crude, plunged by \$1.15 a barrel in three-and-a-half min-

utes, the most rapid fall ever, dealers said. The market later recovered slightly, and West Texas for De-cember delivery closed at \$13.85 a

barrel, well above Monday's close

through the sixth day of talks in an interpreter, told journalists, "I

Speaking after his latest talks with Mr. Lukman, the Iranian min-ister added, "We have a certain percentage share of the quota" set by OPEC. "This percentage share is not changeable under any quota ize that it is very hard to pin day-to-

for breakthrough may have stalled, an OPEC official said that ministerial talks adjourned since Monday

The spokesman gave no immediate reason for the delay. The postponement was confirmed by a Gulf has remained on a fairly steady Mr. Aqazadeh, speaking through named.

# ASSESS: Economy Rolls Along Despite Market Jitters U.S. Approves Futures

(Continued from Page 1)

year, many economists and market experts thought that stock prices reflected the outlook for the economy and for corporate profits. The collapse, according to this view, should have ushered in a recession.

Many economists, partly as a result, have become skeptical of theories linking the behavior of the economy and market prices.

"Most people are coming to realceiling and this we have made clear day changes in the markets on what to our friends," said Mr. Aqazadeh. is really happening in the economy, said Peter L. Bernstein, an economic consultant in New York. economic consultant in New York.

Instead, psychological factors are cited, like the fears engendered by the deficit, or the tendency noon and not in the morning, as among managers of multibilliondollar portfolios to mimic each oth-

er's investment practices.

measured by the gross national product. The second is that no one yet knows, from the available data, whether the slowdown will continue or whether the growth rate might reverse and accelerate again.

The most recent statistics fail to resolve the uncertainty. They suggest that the economy could go in either direction.

Retail sales, for example, rose sharply in September, the Com-merce Department reported. That would seem to signal an acceleration in economic growth, if not for the fact that the increase mostly offset earlier declines, Mr. McKelvey said.

Two other ambiguous developments were the report that industri-al production had risen in October and the related statistic that the operating rate of U.S. factories. mines and utilities had reached 84 percent of full capacity.

duce all the goods needed to fill orders for export as well as for

domestic customers. But an 84 percent operating rate might not mean that factory capacity is really scarce. The overall rate ached this level in October mostly because of production increases in industries that still have capacity to spare, like motor vehicles and machinery.

More than anything else, a Labor Department announcement two weeks ago has fueled concern that economic growth might be accelerating. The department announced that employment in Octo-ber rose by a healthy 323,000 and the civilian unemployment rate fell to 5.3 percent.

But most of the 323,000 new jobs which the economy depends for ex-

# One is that the economy is growing more slowly today than it was in the first half of the year, as measured by the gross national measured by the gross nat

WASHINGTON - The Commodity Futures Trading Commis-sion approved on Tuesday the first U.S. futures contracts on foreign government bonds and stock in-dexes, tightening links between fi-

States and Europe.

The agency paved the way for the decision on Monday by allow-overnight loans.

Contracts on the federal funds rate, the rate banks charge each other on overnight loans. ing futures brokers to hold customers money in offshore bank accounts. This will allow the exchanges to price and settle the exchanges. The two government contracts in foreign currencies, bond contracts to be offered by the contracts in foreign currencies, avoiding foreign exchange transac-

contracts on long-term British govcame in the services sector and not ernment bonds, long-term Japa-

Japanese Nikkei stock index. The commission also approved

tion costs.

The agency voted unanimously to approve the Chicago Board of Trade's application to trade futures

substantially the same as those already offered by the London International Financial Futures Exchange.

the Chicago Mercantile Exchange's application to trade futures contracts on the Nikkei stock index and an option on that contract.

In addition, the regulatory agency was expected later Tuesday to clear the way for the Chicago Mernancial markets in Asia, the United cantile Exchange to trade futures contracts on the federal funds rate,

The new contracts will further heat up competition for business among the world's major futures Chicago Board of Trade will be

The Japanese government bond contracts in London and Chicago in goods-producing industries, on ness government bonds and the also compete with the contract offered by the Tokyo Stock Ex-

# Tuesday's

This list, costabled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is undated twice a year.

Via The Associated Press 17 Month Stack Div. Ytal. PE 100s High Low 4 P.M. Chies

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delegate, who declined to be course, which is explained by two named.

(Reuers, AFP) prevailing views. St. Net

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# **BOOKS**

THE GRAND GUIGNOL: Theater of Fear and Terror

By Mel Gordon. Illustrated. Paperback. 188 pages. \$12.95. Amok Press, P.O. Box 51, Cooper Station, New York, New York 10276.

Reviewed by John Gross

B LOODCURDLING shrieks, fiendish schemes, deeds of darkness, mayhem and mutilation —we all have a rough idea of what Grand Guignol stands for. But until now it has been hard to find out much more about it than that

According to the American theater historian Mel Gordon, no major history of the theater so much as mentions it, although it is a form of entertainment that held its own in Paris for more than half a century.

held its own in Paris for more than half a century.

In "The Grand Guignol," Gordon has made a thorough job of filling the gap. In addition to a concise history of the Theatre du Grand Guignol, the book contains summaries of 100 Grand Guignol, the book contains summaries of 100 Grand Guignol plots, the texts of two plays, photo documentation of three others and an essay on "Fear in Literature" by the Grand Guignol's most prolific playwright, André de Lorde. The illustrations, most of them suitably ghastly, are drawn from Grand Guignol programs, publicity stills and posters.

The precedents for Grand Guignol go back as far as you care to trace them — to primitive blood rites if you prefer, certainly to the charnel house tragedies of the Elizabethans and Jacobeans.

Gordon sticks to the story of the Theatre du Grand Guignol itself, however, and that of its immediate pre-cursors. First came the popular melodramas of the early 19th century. Then, in 1887, André Antoine founded the Théatre Libre, which was formally dedicated to mount-

As in the case of fiction, however, naturalism often proved another name for sensationalism, and the Theatre Libre's staple offerings included burid plays set in the Easter transfer and the Theatre Libre's staple offerings included burid plays set in the French underworld.

It was a specialist in such pieces, Oscar Métenier, who in 1897 hired a former chapel and turned it into the Theatre du Grand Guignol. (Guignol is a popular French puppet show, named for its principal character: This was to be a puppet show for grown-ups, with fleshand-blood puppets.)
Under Métenier and his successors, the new theater

soon built up a faithful clientele, and by 1910 it was a soon built up a faithful clientele, and by 1910 it was a recognized tourist attraction. Its palmiest days were in the 1920s, when regular patrons included members of several European royal families; it survived World War II, but by the end of the 1950s what Gordon calls "a camp quality" had begun to overtake its productions, and it finally closed its doors in 1962.

Until its last decadent phase, people undoubtedly went to the Grand Guignol in order to be frightened. There was a fair amount of swooning, with rather more men fainting away than women (possibly, as Gordon suggests, because the men weren't supposed to cover

their eyes at the hornifying moments).

It may seem odd that audiences didn't laugh as well, but the management guarded against this by what it called "the hot and cold shower" format. The plays were quite short, and in the course of an evening a pair of horror plays would generally alternate with a pair of light comedies or farces: You had your fun, and then you got down to the serious business.

Grand Guignol never really caught on outside the French-speaking world, except for a brief period in London in the early 1920s, when Sybil Thorndike --- a leading classical actress — appeared in a series of horror

plays in which she was crushed by collapsible ceilings and otherwise disposed of.

The Grand Guignol influence on the cinema was much stronger, but eventually moviemakers learned to perform tricks that went far beyond anything the theater could hope to achieve with its stage blood and daggers with retractable blades.

That the Grand Guignoi lasted for as long as it did, even so, suggests how keen a thrill its audiences got from seeing live actors minning torture and terror, before their very eyes. The catalogue of 100 plots makes the ritualistic nature of the tradition clearer than ever. The same themes come up again and again, and so do the same kind of settings: sinister clinics and asylums run by madmen, in particular, although in Grand Guignol country a visit to a lighthouse or an abandoned villa isn't recommended either.

In a century in which so many terrible things have happened, Grand Guignol seems both more and less shocking than it once did: utterly silly, yet an adumbration of what some people will actually do if they are given a chance. It embodies impulses that can't be sregarded, much as one might like to.

John Gross is on the staff of The New York Times.

### **BEST SELLERS**

T the	his list is based on reports from more than 2,000 bookstons United States. Weeks on list are not necessarily consecutive	thro	ugi	wal
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4 5	ONE by Richard Bach ANYTHING FOR BILLY, by Larry McMurtry	-	2 6 3	16 3 5
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13	DEAR MILI, by Wilhelm Grimm THE SHELL SEEKERS, by Rosamunde Pilcher TILL WE MEET AGAIN, by Judith Krantz	I	7	40 15
14 15	THE BONFIRE OF THE VANITIES, by Tom Wolfe		12	8 55
į	NONFICTION THE LAST LION, by William Manchester	_	2	5
2	A BRIEF HISTORY OF TIME, by Stephen W. Hawling ALL I REALLY NEED TO KNOW I LEARNED II	Ñ	ì	31
4	KINDERGARTEN, by Robert Fulghum	_	5	2

THE FIRST SALUTE by Barbara W. TUCHMAN GOLDWATER, by Barry M. Goldwater with Jack Casserly
A BRIGHT SHINING LIE by Neil Sheehan
TALKING STRAIGHT, by Lee lacocca with Sonny

Klenfield

DON'T BEND OVER IN THE GARDEN, GRANNY, YOU KNOW THEM TATERS GOT EYES, by GRACIE. by George Burns
THE RAGMAN'S SON, by Kirk Douglas
SENATORIAL PRIVILEGE, by Leo Damore
THE DUCHESS OF WINDSOR, by Charles Highan
THE SACKETT COMPANION, by Louis L'Amour
SUR VIVING THE GREAT DEPRESSION OF 1990.
by Ravi Batra 20

AFRICA

ADVICE, HOW-TO AND MISCELLANEOUS

THE X-WEEK CHOLESTEROL CURE, by Robert E. WEBSTER'S NEW WORLD DICTIONARY. (Simon DICTIONARY OF CULTURAL LITERACY. by E.D. Hirsch Jr., Joseph F. Kett and James Trefil SWIM WITH THE SHARKS WITHOUT BEING EATEN ALIVE, by Harvey Mackey
ALL YOU CAN DO IS ALL YOU CAN DO, BUT ALL YOU CAN DO IS ENOUGH! by A. L. Williams 2 33

WEATHER

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# World Stock Markets

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FUTURES AND OPTIONS IN THE HITEVERY TUESDAY. UP TO DATE ANALYSIS OF TRENDS IN THE COMMODITIES AND PUTURES MARKETS -WORLDWIDE

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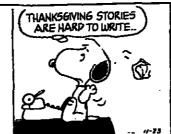
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9 Ships' small craft

**PEANUTS** A Thanksgiving Story "You turkey!" she cried. "Who's a turkey?" "You, you turkey!"

"Listen to who's talking, you meat loaf!" I'd rather be a meat loaf than a turkey, you turkey!



WEDNESDAY'S FORECAST — CHANNEL: Smooth, FRAMKF Overcast, Tento, 1—-3 (34—27), LONDON: Cloudy, Tento, 3—1 (37 MADRID: Fair, Tento, 9—1 (48—34), NEW YORK: Foir, Tento, (48—34), PARIS: Cloudy, Tento, 3—1 (37—30), ROME: Cloudy, 16—6 (39—43), TEL AVIV: Not available, ZURICH: Overcast, 1—-5 (30—23), BAMKOK; Fair, Tento, 2—31 (77—38), HONG K Fair, 19—27 (46—73), MAMILA; Cloudy, Tento, 2—3 (75—91), SECOLOGY, Tento, 6—1 (40—57), SINGAPORE: Thunderstorms.



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THE WHOLE TRUTH AND NOTHING BUT THE TRUTH?

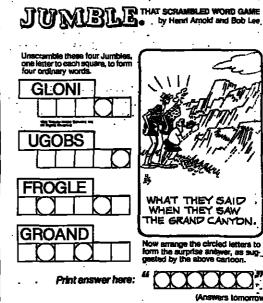




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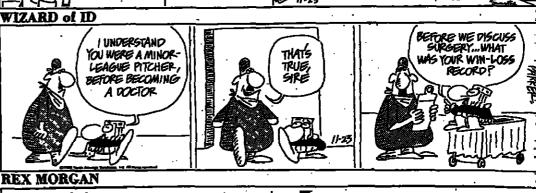
YOU'RE GONNA STUFF THE TURKEY? WHY DIDN'T WE JUST BUY A CHUBBY ONE TO BEGIN WITH?



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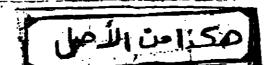
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Careca scored a hat trick against Juventus, above, upstaging Diego Maradona, his Napoli teammate.

# JEFA Cup, in Rare Turn as Soloist, Has a Solid Act

Juventus, revived by Alexander

LONDON — Those of us who relish the triumphs of life's lesser beings are having fun with the UEFA Cup this year.

It is the runt of European club competitions, born as a nice little earner for fringe teams not good

ROB HUGHES

enough to win championships and national cups.

On Wednesday, the UEFA Cup has the ballroom all to itself. The two grander tournaments are hibemating while the UEFA Cup. with more entrants, whittles itself down to quarterfinal status.

Quantity doesn't necessarily dilute quality, as the pairing of Bayern Munich and Inter Milan, the top teams in West Germany and Bayern's rebuilt side has gone 15

games without defeat and netted 15 goals in rounds one and two against Polish and Czechoslovak Its new playmaker, Olaf Thon, scored again last weekend, as did the Swede Johnny Ekstrom, whose

signing from Empoli was bitterly criticized by West Germans. His detractors are beginning to see now that he lacks little indeed. Ekstrom has pace, instinct and desire: at last someone is showing him confidence and perseverance.

Mind you, Internazionale has ways — decidedly German ways — marksman and perhaps a riposte to

of dealing with budding stars of the little Romano, who dares occupy Hearts of Scotland and Velez Mos-Bundesliga. Inter Milan has la-Careca's shirt on the national team tar of Yugoslavia. bored to respond to the rigors of and who has begun his move to discipline, Inter paid \$4 million for captain and midfield driving force, ended up a 5-3 loser. Bordeaux may na away from home. and just over a million for the surging defender Andreas Brehme.

All the money ended up with Bayern Munich. Inter bought strength and determination, and Bayern reinvested in attack; everybody's happy.

The key to their contest might not be how much Matthaus and his former colleagues cancel one another out. It could hinge on Inter goalkeeper Walter Zenga's face mask. That isn't (yet) a new fashion. Soccer isn't (yet) as violent as ice hockey, although Zenga's mask does protect a broken nose.

Speaking of protection, is there enough in Europe to curb Latin Americans when they are on song? Diego Maradona leads Napoli in Bordeaux on Wednesday. If he were not enough, the Brazilian Car-

Napoli recently hit Pescara for eight goals. Last Sunday it followed up with five against Juventus, in Turin, where Maradona was upstaged. Teammate Careca scored three times -a demonstration that

eca is going goal crazy alongside

not be so resilient, having been heavily involved in the French de-Since Mostar progressed on pen-alties against Beleneses of Portugal feat against Yugoslavia last Saturafter two scoreless draws, there may be more to report off the field

as a nice little earner for fringe teams not good

enough to win championships and national cups.

Italy has four competitors blessed with the ad-

vantage of playing the third round's away leg first.

Claude Bez, the Bordeaux president and a central figure behind manager at Hearts, likes to reduce Michel Platini's installation as sethe unknown by pinning photolector of the new France, gave his own midfielder, Jean Tigana, no graphs of opponents in the dressing room. In addition he requeste choice but to come out of international retirement to lead the nation. spying assistance from David

Tigana, 33, is not what he was. He created an early goal, he fell back on defense and tired drastically as Yugoslavia won, 3-2. Tigana, a silent and possibly reluctant foot soldier, has four days to recover.

room after a contentious match So have Jean-Marc Ferreri, who started but was substituted for in Belgrade: so must Alain Roche, a young and inexperienced defender, and Jean-Christophe Thouvenal, who was elated at being recalled to the French squad but deflated at not getting into the game.

The illusion became delusion. And because of emotional and physical fatigue, Bordeaux might suffer repercussions ill deserved after its earlier progress.

A draw Wednesday would suit Napoli. Indeed, Italy has four UEFA Cup competitors who are blessed with the advantage of playing the third round's away leg first. They are Napoli, Inter, Juventus (at Liège) and Roma (at Dinamo

West Germany has two other hopes besides Bayern — Cologne travels to the Basque stronghold of Real Sociedad de San Sebastian and Stuttgart, with Icelander Asgeir Sigurvinsson and Yugoslav Srecko Katanec plotting in midfield, plays in Groningen.

The final match is intriguing

For that "irresponsible act" the director (or rather former director), Hearts' league form has col-

coach Giovanni Trapattoni, but his PSV Eindhoven with five goals in lapsed, one of the team's co-man-summer imports were bred to such three games. agers has been fired and the boardroom is split. Yet the Scots scored Lothar Matthaus, West Germany's Zavarov, made a contest of it but the only goal to beat Austria Vien-

Douglas Park, this week was fined £1,000 (\$1,825). His explanation for locking Syme in, pocketing the key and keeping quiet, was that "feelings were running high" and he thought there was a danger of the referee being assaulted in his dressing room.
Park resigned two weeks ago so In the runt of European club competitions, born

that he can attempt a takeover bid for Hearts.

You can lock up your daughters, lock up a referee, but these days you can no longer keep a Soviet from going where he will. Wednesday will also be the night Rinat Dassaev, the Soviet national goalie and captain, gets his long desired release to capitalism when he joins

The bandover beats many of those at the Berlin Wall. As part of the trade, Dassaev's club, Moscow Spartak, plays an exhibition in Sevilla. For the first half, Dassaev will perform for Spartak; second half, same goal, different jersey — for

After that \$2 million will change hands — 45 percent to the USSR sports committee, 40 percent to Spartak...and five percent to Dorna, the negotiating agency.

Syme is a good countryman and a forgiving chap. He must be; two Presumably there are a few pesa tas earmarked for the world's best goalkeeper somewhere along the way of his contracted two-year sojourn in Spain.

with Glasgow Rangers.

# Celtics Face Life Without Bird

By Anthony Cotton

BOSTON - The horrific truth has been the lead item on nightly newscasts and on newspapers front pages: Three months, maybe our — no Larry. It's taken a while for it to sink in

nat Larry Bird of the Boston Celts, three times the National Basket-all Association's most valuable layer, will be sitting out 3½ months surgery to remove bone spurs om near the Achilles' tendons of 'a beels. In a 10-year career, Bird ı missed nary an all-star game I only 30 regular-season contests. n Friday, the first day sans

General Manager Jan Volk sked how he was feeling. was the instinctive ree. But then Volk reflected. I. I'm O.K.... Honestly, I'm doing so well.... Really, I feel

le's not alone. Concern has pt the commonwealth. Volk said t last Wednesday he did at least live television interviews and sen he went to the restroom there as a seventh camera crew waiting utside. A member of the team's public relations office lost his voice an Friday, he said from "responding to people who call and say Larry can

down from his toenails." career, Bird was scoring barely over 19 in Boston's first six contests this norm. His shortfalls, he said, had become something of a distraction back. I knew there was no way

MOSCOW — The United States

and the Soviet Union have signed a

preliminary agreement that could lead to the first drug testing program of their top athletes during training, a Soviet sports official

Dr. Sergei Portugalov, a member

of the national sports committee,

said the agreement was signed late

Monday by Baaron Pittenger, exec-

utive director of the U.S. Olympic

Committee, and Vasily Gromyko,

deputy chairman of the Soviet State Committee for Physical Cul-

. It is subject to approval by both nations' Olympic committees.

The agreement would be the first thajor attempt by each country to eliminate the use of such perfor-

mance-enhancing drugs as anabo-lic steroids. It would also help to

ease athletes' suspicions that their opponents are benefiting from

these substances, reducing the feel-ing that such drugs are needed to

Currently, athletes are tested at most major international competi-

tions, but only a few countries test athletes in training. For the Soviet Union and the United States to

agree to do so would represent a

major breakthrough in the battle against drug use by athletes. The protocol would allow Soviet

medical personnel to test U.S. athletes when they are competing in the Soviet Union or to enter the

United States to test athletes in training, U.S. drug testers would

have the same opportunities to test

Not only steroids, which can improve an athlete's bulk and perfor-

mance, would be tested for "We

want to test any group of drugs that

Paris Planning New Stadium

The Associated Press

PARIS — Mayor Jacques Chirac

announced plans Tuesday for a new

stadium with a scating capacity of

80,000-100,000. With a site yet to be selected, he said construction would

start in 1990 "in view of the World

Cup of 1998," referring to the quad-

nial soccer tournament

compete on an equal basis.

said Tuesday.

ture and Sports.

go out and get 30 points, 10 re-bounds and seven assists and take another five minutes to get loose." over at the end of every game," Bird said. "Now, I've been getting 12 or 14 points, six rebounds and four assists and they've been saying, 'Hey, get off the court, you're

hurting us more than helping. Bird said he knew as early as two weeks ago that something had to be done about the pain he said was like someone jabbing you in the feet with a knife, or always having to walk with a rock in your shoe."

Bird said the pain started early last season, when he missed four games with sore Achilles' tendons, and "things haven't been right from then on. I struggled into March, but then I felt a little better. In the first eight days of training camp this year I felt good but when we went over to Spain [for a tournament], the left one started bothering me and then the right started hurting, too."

Bird and the Celtics were still hopeful that medication and therapy could solve the problem, but Bird said he experienced pain throughout the second game of the regular season, against Philadelphia.

"I've seen him when he's feeling great, and there was a big differ-ence," said teammate Dennis Johnson. "If you take a guy like Larry himself if he hangs upside and he's only out there playing 16 minutes, you know that there must leads by example."

The last straw came in a victory over the Miami Heat last Tuesday, then; we took a 20-second time-out

said, adding: "This agreement is

Logistics were not included in the

document, but both Pittenger and

Gromyko said they envisioned no

problems in agreeing on final details and gaining approval by their re-spective Olympic committees.

ating an out-of-competition testing Union.

Washington Monday night in San Francisco. The 6-6 Redskins

fell to fourth in the National Conference East and are in danger

of becoming the ninth straight league champion to fail to repeat.

the doping issue in sports."

Bird said he saw three doctors, with at least another three consulting on his case. The most alarming thing, he said, was that the spurs in his right leg had tripled in size from last spring.

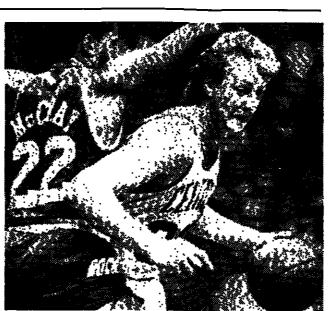
"I always said I'd make it through my career without a serious injury," he said. "Tve lived on the edge for two years — now I'm just glad to have it done... Something happened, so let's do it and get myself back to where I was before."

The 4-5 Celtics are trying, none too confidently, to fall in with that. "I kept hoping, looking around trying to figure out some way to handle it," said Coach Jimmy Rodgers. "But I watched as they did different things and nothing seemed to stick. They would work on him and he'd feel good a little while but nothing lasted long."

In his first season as head coach, Rodgers's intent had been to give Boston's heretofore seldom-used bench some extra playing time. Bird's injury makes that a veritable necessity. It's unlikely the Celtics will try to deal to bring in an established player.

Able to walk with a new cast, Bird was discharged from the hospital Monday. Said Dr. Arnold that the decision had been made. wanted to try and play anyway; he original prognosis of his return to Averaging 25 points a game for his leads by example." basketball in 31/2 to four months at

this point appears reasonable." Even stacked atop each other 17 in designs an even fewer are season. He was playing seven fewer aring up and down the court five or proximate Bird's blend of shooting form. His shortfalls, he said, had six times," he said, "the pain came rebounding passing and court say "We're against to miss him a lot." vy. "We're going to miss him a lot," said Johnson. "If anyone here sug-They look at me as a guy who'll and when I went back on the court gests otherwise, they're lying."



Larry Bird of Boston: "I've lived on the edge for two years. . . . "

BASKETBALL

EASTERN CONFERENCE

2 5 .286 3 2 6 .250 3<sup>1</sup>/<sub>2</sub>

**NBA Standings** 

### attending city schools are most-NEW YORK -- Every direcly immigrants like himself. tor of athletics at any of the Rottman was born in the Soviet

New Approach in Brooklyn

schools in the City University of New York will tell you how difficult it is for a city school to gain

Alex MacDonald, the surviving

yme, a Scotsman who refereed the

months ago a Hearts director delib-

erately locked him into the referees'

national prominence in sports. Brooklyn College reached the second round of the Division I NCAA soccer tourney because of the realistic approach by Len Roitman, the school's athletic director and soccer coach.

"We attempted to get the kind of kids that go to schools in Florida and California and we were completely unsuccessful," Roitman said, referring specifically to soccer players.
"The top American players don't want to be commuters in an urban environment."

**National Basketball Association Leaders** 

Roitman realized quickly that the type of student athletes Union in 1954, came to New York as a teen-ager and graduated from Brooklyn College.

"We're getting immigrants, or the children of immigrants with minimum expenses for tuition," he said. "We started giving scholarships in 1985."
Some criticized the NCAA for

giving the Kingsmen a bid be-cause their 13-1-3 record was against a relatively weak schedule vis à vis other schools'. But they justified their presence in the tournament by eliminating Adelphi, 4-1, in the first round before losing to Seton Hall by 5-2 in the second round Sunday.

Getting the bid and beating Adelphi is the beginning of a new era for us," Roitman said.

# FOOTBALL

**SCOREBOARD** 

liege	[op-20	Rankings	ì
			-

28-19-16, etc., and pre-	-		-
	Record		
1. Noire Dame (35)	10- <b>0-</b> 0	1,167	1
2 Southern Cai (22)	10-0-0	1,158	2
3. Miami, Fla. (1)	B-1-0	1,081	3
4. West Virginio (2)	11-0-0	1,016	4
S. Florida State	9-1-0	954	5
6. Nebraska	11-1-0	883	7
7. Auburn	9-1 <b>-0</b>	846	
8. Arkenses	10-0-0	755	10
9. UCLA	9.2-0	720	-
10. Oklohoma	9-2-0	637	9
11. Michigan	8-2-1	570	12
12. Oklahoma SI.	B-2-0	551	13
13. Clemson	9-2-0	498	15
14. Houston	8-2-0	338	17
15. Wyoming	11-1-0	291	16
16. LSU	7-3-0	235	11
17. Alebama	7-2-0	224	18
18. Washington St.	8.3.0	207	19
19. Syracima	~~~		

that the national Olympic commit-tees from the United States and the Soviet Union are ready to work together against doping," he said.

The IOC has sponsored an antidoping charter, which sports ministers from at least 70 countries are expected to ratify during a confer-Final implementation could ence in Moscow that began Monhinge on the USOC's ability to day and that was independent of the most difficult of which may be cre-

U.S.-Soviet Drug Pact Is Nearer The United Press Interestional board of coaches top-20 rutings (first-place votes and records through Nov. 19 in parentheses; total points, based on 15 for first place, 14 for second, etc., and previous rentines); are banned by the International framework that does not violate Olympic Committee," Portugalov athletes civil rights. 1. Notre Dame (29) (10-6) 2. Southern Cal (16) (19-9) 3. Miami (1) (8-1-9) Juan Antonio Samaranch, presi-1. Akermi (1) (8-1-0)
4 W. Virginia (2) (11-0)
5 Florida State (1) (9-1)
6. Nebroska (11-1)
7. Auburn (9-1)
8. Arkonaus (10-0)
9. UCLA (9-2)
10. Alichigon (8-2-1)
11. Oktohorna (9-2)
12. Oktohorna (9-2)
13. Clemson (9-2)
14. Wyoming (11-1)
15. Aloborna (7-2)
16. Houston (9-2)
17. Louisiana (9-2)
18. Washington State (7-3)
18. Washington State (8-3) open.... We invite any other country to join us in our battle to solve Soviet initiative. "It's very helpful

WESTERN CONFERENCE

**NFL Standings** 

New Englinders Indianose N.Y. Jets Miami

MONDAY'S RESULT Minnesoto at Detroit Hauston at Dollas NOV, 27 Buffalo et Cincinnati Cleveland at Washington Green Boy at Chicago 49ers Dim Redskin Hopes, 37-21 Green Boy of Chicoge
Konsos City of Pittsburgh
Miamt at New York Jets
Phoenix of Philodelphia
Tampo Boy of Artania
San Francisca at San Diego
New England at Indianapolis
Los Anoeles Rams at Denver
New York Glants at New Orleans. Brent Jones caught an 18-yard pass from Joe Montana to open the scoring and the 49ers went on to a 37-21 NFL victory over

\$ RESULTS 32 27 23 29--113 35 39 22 29--117 3.Johnson 8-11 2-2 18. Wilkins 12-21 5-5 29, HOCKEY **NHL Standings** WALES CONFERENCE

Mentreol
N.Y. Ronsers
Nosland (7). Courtnell (4), Chefies (2), Corborneou (4): Lefteur (5), Sandstrom (6). Shets
need: Mentreol (on Verblesbrouck) 74-10'see Hoyward) 8-14-9-31. St. Loois 8 8 8-0 Toronto 7 7 2-4 Ferigus 3 (7), Olcavik (12), Shots on goal: St. Louis (on Bester) 8-4-9-21; Toronto (on Mil-lon) 10-10-9-29. TRANSITION

BASEBALL

McIntosis, orditer; George Conote, inflecter, and Malios Carrillo and Grey Youghn, outfielders, to their winter roster, CAKLAND—Purchased the contracts of Dave Veres, elicher; Russ McGinnis, carcher, and Slave Hengard and Ozzle Conseco, outfielders, from Tocamo at the throller Const.

fielder≤ from Tocomo of the Pacific Coas

League and Scott Hernand, Infletger, from

Huntsvilled the Southern League. Sent Reese Lambert, Kirk McDonald, and Jeff Shaver

BASKETBALL

Theus 10-17 5-8 26. Rebounds; Alionia 56 (Mo-lone 17). Houston 51 (Ololuwan 14). Assists; Alianta 23 (Bottle 11). Houston 29 (Floyd 12).

Utch 26 33 25 2-7... Griffith 9-14 4-4 25, Bolley 9-12 6-7 24; Monning 8-15 5-6 21, Smith 7-17 5-6 19, Rebounds: Los Angeles 45 (Smith 9), Ulah 64 (Egton 14), Assists: Los Angeles 17 (Nizon 4), Ulah 30 **U.S. College Results** 

Assumption 109, Warcester St. 88
Clarkson 77, Roberts Westeyon 74
Franklin & Marshall 71, Swarthms
SOUTH Virginio St. 58. N.C. Central 52

Concordia, Neb. 75, Colorada S. Colorado 92, Fort Lewis 85 EXHIBITIONS Basion College \$2, Cibana, Yu Brisbane, Australia, 85, Idaha SI, 63

Latevetle Hustlers 71, Bu Mississippi St. 75. Arkonsos Exprés N. John 93. Yuposlavia Red Stor 71 New Orleans & Melbourne Glanta Rider 92. Asker Club of Norway 93 S. Uloh 79. Illawarra. Australia 79 Tennessee SJ. Soviet Nationals 81 Turkish Nationals 91, Ma.-Kansas C

director of Scouting,
MILWAUKEE—Added Narcisco Elviro, Doug Hanny and Leo Perez, pitchers: Tim

Memphis St. 97, Athleles in Action 87 Mississippi St. 75, Arkonsos Express 7 N. 1040 93, Yugoslavia Red Star 79

TENNIS **Pro Leaders** 

1. Stefon Edberg, \$72,802.2, Mais Wilander, \$881,731. 3. Boris Becker, \$861,853. 4. Andre Agassi, \$627,062.5, Ivan Lendi, \$578,938.4. Kent Carisson, \$472,539.7, Tim Mayolte, \$463,734.8. Emillo Sonciez, \$416,599.1, Amas Mansdorf, \$176,892. 10, Henri Leconie, \$149,991.

Tour Peints

1, Mats Wilander, 5,943, 2, Barls Becker,
4,979, 3, Stefan Edbers, 4,762, 4, Radre Agassi,
4,128, 5, Ivan Lendi, 4,977, 6, Jimmy Constors,
2,668, 7, Tim Mayothe, 2,653, 8, Kent Carlsson,
2,522, 9, Henri Lecante, 2,438, 10, Jakob Hiosek,

Computer Rankings

1. Mots Wilander, 157.4615. 2, Ivan Lendl,
12.9167. 3. Andre Agossi, 122.0667. 4, Boris
Becker, 107.4286. 3, Stefan Edbers, 107.2857. 6,
Kent Corisson, 84.1528. 7, Jimmy Corners,
87.7672. 8, Jokob Micsek, 70.1538. 9, Tim
Moyette, 67.5714. 18, John Mccenroe, 67.1467.

1, Sieffi Graf, \$1,378,178, 2, Martina Navrati-lova, \$1,333,762, 3, Gabriela Sabatini, \$995,399. 4, Chris Everi, \$698,609, \$, Pam Skriver. \$621,327. 6. Helena Sukova, \$388,317, 7, Zina Gerrison, 5381,535. L. Natalla

1, Sieffi Graf, 5,950, 2, Martina Navratilav 4,720, 3, Gabriela Sabatini, 4,440, 4, Chris Everi, 4,860, 5, Pam Shriver, 2,326, 6, Helena Sukava,

guard. Placed Jay Humphries, guard, on the Injured Hst.

HOCKEY National Hockey League
LOS ANGELES--Recailed Mark Fitzentrick, goallander, from New Haven of the
American Hockey League, Reassigned Bot

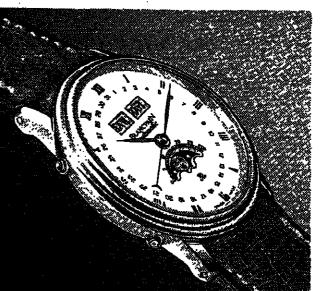
lefensemen, to Peterborough of the Ontari lockey League. WASHINGTON—Recalled Jim Thomson COLLEGE

MANHATTAN

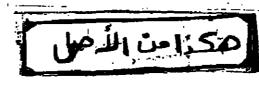
# G FG FT Pix Avg 9 131 71 337 37.4 7 77 84 238 34.0 1004 1970 771 990 984 763 965 961 957 956 844 628 931 722 1015 792 661 754 Sundvold, Mila Tucker, NY

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# **OBSERVER**

# Gripped by the Grippe

By Russell Baker

EW YORK — When I feel a cold coming on it's down the hatch with a good nasal decongestant antihistamine, followed by nodding galore and submission to the antic whims of a fevered brain.

In this condition, phrases like "nodding galore" spring readily to the lips. What a great name "Nodding Galore" would make for a future star of screen, stage and tube whose career is now languishing on welfare because her real name is Glenda Pitz.

Fancy a mogul telling her, "You will never again be Glenda Pitz, box-office poison, my child. Henceforth you are Nodding Galore, Queen of the Silver Screen I see her starred opposite Hodding Carter, the former State Department spokesman, in a sizzling \$40 million grosser with plenty of undressing. I see an advertising campaign: "Hodding's back and Nodding's got him."

I mentioned a mogul, and of course nobody knows what a mogul is, right? That's because you were unborn in the age of the moguls. Louis B. Mayer, Jack Warner, Harry Cohn — those were moguls. You probably never heard of Mayer unless you're one of the handful who know what Belgium is and who Abraham Lincoln was. So forget moguls. It's the nasal decongestant

istamine raving out of me. Isn't it strange that millions of people who don't know what a mogul is know about nasal decongestant antihistamine?

Moguls probably didn't have a guess what nasal decongestant antihistamine was, even though they did know about Abraham Lincoln being a hybrid blend of Raymond Massey and Henry

Fonda, kids, was Jane's dad, not an old-fashioned Japanese car. So the nasal decongestant anti-histamine stops your nose and eyes from emitting water while you're in

the grippe of a cold. It works by attacking the brain's water-control center, which is located perilously close to the goodjudgment lever. When its powerful decongesting antihistaminic molecules overflow onto the good-judgment lever, phrases like "in the

grippe of a cold" occur. The water cannot be shut off, of course, or the body will fill up, then downstairs apartment.

That water has to come out someplace, and if it's diverted from the eyes and nose it is probably going to come out around the neck and shoulders. This accounts for the moist, clammy feeling that occurs in the upper torso.

All that's happening is that the water, prevented by the decongestant antihistamine from running off through the eyes and nose, is taking an alternate outlet.

I mentioned Glenda Pitz \*languishing on welfare," and many of you will ask if Glenda Pitz is the notorious Welfare Queen.

It is a measure of nasal decongestant antihistamine's power to enfo-ver the brain that I even mention the Welfare Queen, for you are sure to be outraged when I declare that I do not believe in the Welfare Queen, no matter how famous President Reagan has made her and her new Cadillac taking her to buy whiskey with some of her fat welfare checks.

Confessions like that couldn't be made except with the overflowing decongesting antihistaminic mole cules pressing on the brain's goodjudgment lever, because my folks, you see, almost all believe in the Velfare Queen.

Yes, they used to be poor, and now that they're eating high on the hog they like to think that con women disguised as paupers are cunningly taking the ribs right off their hogs. Sundays when I argue politics with the folks I never have the nerve to say, "Come on, folks: only people who talk to the Tooth Fairy and the Easter Bunny take Reagan's Welfare Queen as gos-

The reason I'm uneasy about saying that is, I think of my folks as folks, and I want them to think of me as folks, too, and I'm fairly sure they wouldn't rank anybody as folks who didn't believe in the Wel-

fare Queen. Which brings us to the question, what are folks, when you get right down to it? Speaking their folk wisdom, listening to their folk music, uttering their folk phrases like "when you get right down to it" —
just who are folk anyhow? If this cold hangs on, I'll take some more nasal decongestant anti-

histamine and look into this folk business with Nodding Galore. New York Times Service

# Virgil-Thomson's Words and Music

By Michael Field

TEW YORK -- He was wearing an overcoat against the November chill. Sitting in the corner of the sofa in the drawing room of his apartment at the legendary Chelsea Hotel, Virgil Thomson looked a little fragile.

But the eyes were as sparkling as ever, the mind and memory unaged. Humor still bubbled up in his comments on life and music, as sharp and devastating as his "execution" of the New York Philharmonic in his first review as music critic of the New York Herald Tribune in 1940, a post he held for 14 years.

He will be 92 on Friday. More than half a century ago "Four Saints in Three Acts," an opera he wrote on a text by Gertrude Stein, made artistic history in the United States and France. Earlier this year, a selection of his letters was applauded on both sides of the Atlantic, Next spring, Yale University Press will publish "Words and Music," a book he says he should have written years ago, on setting English to music.

Despite dealness, overcome for

conversation through a hearing aid. Thomson can still write mi sic but "can't hear it right. It's off pitch." Recently he has been writing "little portraits and things." Musical portraits are an invention of his and there are over 150 of them, analyzed in a book by Anthony Tommasini, a Boston musicologist, in 1983. Tommasini is now writing a several volume "Life and Works." Tim and Vanessa Page, editors of his letters, are also preparing a reissue of his articles from the Herald

"I'm not working on any enormous opera. You never know what's going to come next, but those things go on," Thomson

The new book, "Words and Music," chapters of which will run before publication in The New York Review of Books and in Grand Street, an intellectual quarterly, is on a subject he lectured about in war-shattered France in 1945.

"It tells you how to make it work, in English, with quotations from every language. . . . It's a very interesting book, with lots of material that isn't elsewhere available. There are 30 musical illustrations from classical vocal mu-



Musical taste is "like women's styles. Short skirts are selling one year and long ones another."

skirts and shirts."

sic and then 20 quite extended ones from my own works." False modesty has never been a Thom-

I asked him how he felt about music today. The answer came pat: "I don't feel. I'm just an old professional. I know it."

"Don't professionals feel?" "It's a weakness if you do. Professionals really like to think they know it all. But of course everybody has to run the critical gamut. You write reviews of somebody's work and they don't like it. You think, well, they'll have to take it. But when you get bad reviews yourself, you're convinced that the author is an ignorant pipsqueak and probably in the pay of your enemies."

Thomson has had his share of hostile criticism. One critic called the music of "Four Saints in Three Acts," the first of his two Stein operas, "a sow's ear," I re-

"What I particularly remember bridge, pupils of Professor [Alex-out 'Four Saints,' it happened ander] Goehr." about 'Four Saints,' it happened What about Philip Glass? in New York and Paris, was that the literary people all said of 'Mr. Glass is the most success course Gertrude is thoroughly silful composer in the world. We

ly, but the music is divine.' And were on a program together in the musical people said 'Gertrude Lawrence, Kansas, and we frateris heavenly poetry but the music is not to be considered," he said. nized very nicely and his troupe played my music as well as his. He pays me compliments. He keeps On changing musical tastes: elling me that after all I started "It's like women's styles. Short this whole simplified business with "Four Saints" and I said that's all right we're in the same business. You write operas in skirts are selling one year and long ones another. After all, year after year, women wear pants and Sanskrit and I wrote them in Ger-

On the state of musical compo-On the origins of his "simple" style: Working with Gertrude sition today: "Boulez is a very brilliant musical mind, Stockhausen will do. The best of those boys Stein led Thomson to drop essays in 20th century dissonance (like is Hans Werner Henze. Germany his "Sonata da Chiesa" of 1926). has music. But it's all pretty seri-"Gertrude herself is so obscure, ous. German sentiment is pretty hard to sell these days. Paris is willfully obscure, that you didn't quiet. It's quiet in England since Benjie Britten's dead, though want to add obscure music to it. You just wanted to add somethere's a whole batch of slightly younger composers in Camthing to let it run along like a

A NEW WAY OF STAYING IN PARIS

THE CLARIDGE RESIDENCE

Among his own works, Thom-son is particularly fond of his opera "Lord Byron," given its pre-miere at the Juilliard School in 1972. It had little critical acclaim, though Andrew Porter praised it in The New Yorker. "You know, people are likely to be attached to their less successful children." Today the most performed of

Thomson's works is the second Stein opera, "The Mother of Us All," the libretto of which was finished in Paris in March 1946 and was the writer's last completed work. She died the following July. Based on the life of Susan B. Anthony, leader of the American woman's suffrage movement, "The Mother of Us All" is, as the composer has said, imbued in both text and music with nostalgia for 19th century rural America. For all his cosmopolitanism and experience of the Paris of the 20s, Thomson is a child of the Middle West, which is the source of his homespun music and pungent literary style.

Discussing writing he said: "You can write or you can't. And if you can, you come through. But it's not an accident. I learned to write in the high schools of Kansas City. Very strict discipline. Well a little bit at Harvard too. Harvard admitted me to their most advanced writing class on the basis of my Kansas City edu-

"Kansas is what you might call a native town. All people were brought up in the neighborhood and they live there forever. New York is very bad for schools because a majority of the teachers were brought up in families where English is not the family language. So they don't know Enlish idiomatically. They didn't have grandmothers singing them little rigmaroles."

But he had a nostalgic word about the restaurant at New York's Metropolitan Club, one of whose great dishes used to be mushrooms under glass, "done with cream, very rich and sumptuous." On this gastronomic note, the doyen of American composers hauled himself to his feet on my arms and accompanied us to the

Michael Field, who has known Virgil Thomson since 1953, is former Paris bureau chief of The Daily Telegraph of Lond

# **PEOPLE**

**Buchwald Sues Studio** On Eddie Murphy Film \$

The columnist Art Buchwald is not laughing; he is suing Para-mount Pictures for \$5 million, accusing it of "brazen misappropria-tion" of an original idea. Buchwald and a movie producer, Alain Bernheim, contend that Paramount's "Coming to America," which starred Eddie Murphy as an African prince who comes to New York and works as a janitor in a fastfood restaurant while searching for a bride, is based on Buchwald's "King for a Day." He sold the project in 1983 to Paramount as a vehicle for Murphy, but the studio &let its option lapse. "I'm not doing it for the money," said Buchwald, whose column is syndicated in 550 newspapers. "I'm doing it for the little guy who gets beaten up by the big guy. And if you believe that. !" Buchwald's suit is the third one alleging that the idea for the film was cribbed. Paramount declined to comment.

Prince Charles is taking his campaign for more sensitive building design into the book stores with the publication in March of "A Vision of Parising International Parisi of Britain, A Personal View of Architecture." Royalties from the book, based on the Prince of Wales's recent television program, will be given to his Charities' Trust along with a \$543,000 advance.

A judge in Memphis, Tennessees is dismissed an inheritance claim has dis by Deborah Delaine Presley. who claimed she was Elvis Presley's daughter. In an affidavit, the wornan's mother, Barbara Jean Young. said she spent four days with Presley in 1955 at a mobile home. The affidavit said Miss Presley was born nine months later.

David Hare's "The Secret Rapture," a new play due off-Broadway in May, was named best play. and a revival of the musical "South Pacific" was named best musical of 1988 by Drama Magazine, published quarterly by the British Theatre Association. Acting awards went to Pruiline Collins as best actress, and, in a tie vote for best actor, to Alex Jennings and Tona Wilkinson. Vanessa Redgrave was named best supporting actress. Best supporting actor went to Peter Lindford. Best director went to Peter Brook, the Paris-based British director, for his staging of "The

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